

Southern Oaks Retirement Living

England & Wales · Charity number 247308

Details

Other names	ABBNEYFIELD SOUTHERN OAKS, THE ABBNEYFIELD PURLEY SOCIETY LIMITED, THE ABBNEYFIELD SOUTHERN OAKS
Status	Registered
Legal form	Charitable company
Company number	00734705
Registered	1966-04-06
Register	View on the Charity Commission register

Contact

Address Nonsuch Abbeyfield
Old Schools Lane
Ewell
Epsom
Surrey
KT17 1FL

Phone 02083940050

Email admin@southern-oaks.org

Website www.abbeyfieldsouthernoaks.org

Activities

Objects: THE OBJECTS ARE FOR THE PUBLIC BENEFIT OF THE COMMUNITY THE PROVISION AND MANAGEMENT OF HOUSING, ACCOMMODATION AND ASSISTANCE FOR THE RELIEF AND CARE OF OLDER PEOPLE SUFFERING FROM THE DISABILITIES OF OLD AGE OR OTHERWISE BEING IN NEED IN PARTICULAR (BUT WITHOUT LIMITATION) BY PROVIDING AND MAINTAINING (OR ASSISTING IN PROVIDING AND MAINTAINING) HOUSES AND HOMES FOR SUCH OLDER PEOPLE AND PROVIDING (OR ASSISTING IN PROVIDING) AMENITIES OR SERVICES FOR THE BENEFIT OF SUCH OLDER PEOPLE, AND FOR OTHER CHARITABLE PURPOSES BENEFICIAL TO THE COMMUNITY.

Activities: To provide accommodation, care and companionship for lonely or frail elderly people in accordance with the aims and principles of the Abbeyfield Society.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** General Charitable Purposes, Accommodation/housing
- **Who:** Elderly/old People

Geography

- Croydon
- Surrey
- Sutton

Finances

Period end	Income	Expenditure	Assets	Employees
2025-09-30	£2,415,206	£2,187,737	£14,578,979	25
2024-09-30	£7,536,448	£2,051,986	£12,590,666	21
2023-09-30	£1,836,779	£1,891,659	£7,031,221	20
2022-09-30	£5,574,361	£5,468,446	£7,086,101	19
2021-09-30	£6,960,569	£6,910,020	£6,749,496	18

Trustees

Name	Role	Appointed
Charles Nicholas Shore		2015-04-15
Clare Elliott		2025-05-14
Douglas Kenneth Lyon Horne		2022-07-06
Dr ANDREW MARTIN HOY		2017-02-21
Dr Malcolm William Wakerley OBE		2014-10-01
Jackie O'Neill		2025-05-14
John William Mann		2022-04-20
Susan Jane Moore		2022-08-09
YVONNE CATHERINE MCCABE		2023-11-22

Accounts

Charity registration number 247308 (England and Wales)

Company registration number 00734705

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	D K L Horne Dr A M Hoy J W Mann Y McCabe S J Moore C N Shore Dr M W Wakerley J O'Neill (Appointed 14 May 2025) C Elliott (Appointed 14 May 2025)
Charity number	247308
Company number	00734705
Regulator of Social Housing number	H1185
Registered office	Southern Oaks Nonsuch Old Schools Lane Ewell Epsom Surrey KT17 1FL
Auditor	FLB Audit LLP 1010 Eskdale Road Winnersh Triangle Wokingham Berkshire RG41 5TS

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
CONTENTS**

	Page
Report from the Chair	1 - 2
Trustees report	3 - 10
Independent auditor's report	11 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 34

SOUTHERN OAKS RETIREMENT LIVING (FORMERLY ABBEYFIELD SOUTHERN OAKS) REPORT FROM THE CHAIR

FOR THE YEAR ENDED 30 SEPTEMBER 2025

Introduction

It has been an eventful year for Southern Oaks (SO) and I want to thank all my Trustees for working hard and as a team to get things agreed and progressed. As mentioned in the last report, Graham Walker and Nigel Macdonald stepped down at the start of the financial year. Both have been available for consultation and involvement when asked and I am grateful to them for their time and input. Nigel has in fact taken on the Chair of a newly formed Risk and Oversight Committee which oversees key issues and provides valuable advice to the Board.

The Board meets typically 4 times a year but much of the work is done outside the formal meetings while I try to keep all Trustees informed of the work which is going on and developments which impact SO.

As also reported last year, Anne Carrington stepped down as a Trustee after many years of service to Purley and following the merger to form what is now Southern Oaks, to the Board. She has supported the residents and our house staff across all our sheltered houses and brought issues to Services Committee and the Board. Anne worked tirelessly and often behind the scenes to help keep the houses running smoothly. We are so grateful to Anne for all she has done for Southern Oaks and hope she will continue to support us when she can.

We have been very fortunate to find Jackie O'Neill who has taken on the responsibility of looking after the welfare of our residents in the sheltered houses and our staff and has settled into the role very quickly.

Andy Parsons who was our Finance Trustee had to step down because of enormous work pressures. I want to thank Andy for keeping things going despite a huge work challenge. Again, we have been fortunate to find Clare Elliott who took over from Andy and is working well with our Finance Team on a number of issues and with the Board.

We welcome Jackie and Clare to the Board and it is very pleasing to see how quickly they have integrated and absorbed all that is going on and the way the Board and our Executive are working.

I also want to send a big thank you to Julie Macdonald who has continued to work very much behind the scenes in helping Mandy and the finance team get our new finance system up and running. She has spent countless hours supporting finance and I am very grateful for all that time despite her far-flung family.

It would be remiss of me if I didn't also mention the work of John Mann in working with Epsom Sports Club ('ESC') on the building of a pavilion in our grounds. John has spent a lot of time working in a small group from ESC and our solicitors and the fruits are now about to be seen as the first trench has been dug and the hope is the pavilion will be available late summer/autumn.

Which brings me to the work of Martin King (now our CEO), Mandy Coe and Jo Taylor. In a challenging environment for social housing, they have worked well together as a team and with the Board and Services Committee to keep everyone informed of the challenges and opportunities for SO. Again, many thanks to them for their commitment to SO and the way they work with the rest of the staff to keep our residents safe and secure and enjoying life in our houses and at Nonsuch. They have coped with many challenges this past year but dealt with issues as they arose in a very professional manner. We are fortunate to have such dedicated leaders.

Abbeyfield

As noted in last year's report, we chose to leave the Abbeyfield movement which is undergoing significant challenges following its reorganisation and was no longer able to support us or provide the resources we need. The effective date was 31st March 2025. The change from an Abbeyfield member to a stand-alone entity was seamless and I am grateful to Doug Horne and his marketing team and the legal support from Russell-Cooke, our solicitors, for the way we changed our name and ensured all legal and reporting matters were handled quickly and effectively.

Operational results

The financial results shown in the following pages are a remarkable tribute to the entire team. We show a modest operating surplus which is what we should expect from our assets. As a charity we have an obligation to our residents to get proper value for money in all we do, and Martin King and Mandy Coe have been zealous in driving out unnecessary costs and getting good value out of purchases including our catering.

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
REPORT FROM THE CHAIR (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

We planned this year to refurbish and upgrade our sheltered houses and much of the work has been completed and I am grateful to John Mann and Martin King for organising and overseeing the work which has made our properties in great shape ahead of lots of new legislation on building regulations and tenant protection.

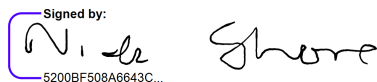
Our asset base has increased substantially with the 3 properties we inherited from Abbeyfield Chelsea & Fulham Society and the funds from the sale of Old House, meaning we are able to cautiously put funds into sensible investments and on deposit for use in our future plans.

Looking forward to 2025/6

There are lots of activities that are ongoing, including the end of our refurbishing of our houses, the completion of the pavilion and more strategic matters which will unfold during the year as we develop plans to use our resources to carry on with our objectives.

As a Board we pledge to:

- Maintain a safe, secure and friendly atmosphere for all our residents and to help alleviate loneliness;
- Continue to maintain our supported houses while they still have a useful life and to enhance the facilities where we can; and
- Review our systems and operations to ensure we have the resources to carry out the above and consider future developments to support our overall objectives.

Signed by:

5200BF508A6643C...

C N Shore

Chair – Southern Oaks Retirement Living

Date: 18 March 2026 | 11:30 GMT

SOUTHERN OAKS RETIREMENT LIVING (FORMERLY ABBEYFIELD SOUTHERN OAKS) TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2025

The Trustees present their annual report and audited financial statements of the Society for the year ended 30 September 2025. This should be read in conjunction with the Chair's report above.

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Statement of Recommended Practice Accounting for Registered Social Housing Providers 2018 (Housing SORP), the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and Activities

Charitable Objectives

Southern Oaks Retirement Living's legal charitable purpose is the provision and management of housing, accommodation and assistance for the relief and care of older people suffering from the disabilities of old age or otherwise being in need in particular (but without limitation) by providing and maintaining (or assisting in providing and maintaining) houses and homes for such older people and providing (or assisting in providing) amenities or services for the benefit of such older people, and for other charitable purposes beneficial to the community.

Mission Statement

We provide affordable resident-centred communities where people can enjoy later life as they wish – supported, free from worry and with their everyday needs met. As an independent not-for-profit charity, we aim to maintain sustained and controlled growth by developing further thriving communities based on the same ethos.

Our aims directly support our mission by ensuring that older people have access to safe, secure, affordable and supportive housing, enabling them to live independently for as long as possible.

Improvements to housing quality through targeted investment in safety systems, and the delivery of resident-centred support services ensure that the needs of older people are met in line with our charitable objectives.

The provision of upgraded accommodation, communal facilities, social activities, and wellbeing focussed services contributes to reducing isolation, improving both quality of life and maintaining dignity in later life.

Ensuring strong governance and responsive operational management together with investing in systems and organisational capability supports both current activities and potential for future development and growth.

Strengthening partnerships with local authorities, community groups and other similar organisations enhances our ability to share ideas and best practice, ensuring we deliver better informed, higher quality services that directly benefit our residents and the wider community.

Our success is assessed using a combination of quantitative and qualitative measures including: achievement of lettable housing standards; completion of planned capital works; resident satisfaction and wellbeing feedback; occupancy levels; statutory Value for Money metrics; volunteer engagement activity; and regulatory compliance.

Public Benefit Statement

The Trustees confirm they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit. All activities during the year were directed toward providing safe, affordable housing and support for older people, improving their wellbeing, independence and quality of life through upgraded accommodation, resident-centred services and opportunities for social engagement.

Achievements and Performance

During the year, Southern Oaks provided quality affordable housing for a total of 120 residents: 44 Supported Housing, 27 Affordable Housing, 37 Leaseholders and 12 Other.

SOUTHERN OAKS RETIREMENT LIVING (FORMERLY ABBEYFIELD SOUTHERN OAKS) TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2025

Property Improvements

The trustees undertook a major review and plan to upgrade all properties, including all residents' rooms and communal areas.

Significant progress has been made to the planned works which will continue and be completed in 2025/26. During the current year the charity invested £176k into these improvements which included:

- £85k in improvements to the fabric of 6 properties
- £42k upgrade to communal facilities
- £16k replacement of safety and security systems
- £33k of resident room standard upgrades across 8 rooms in 2 separate properties

We also invested in increased fire safety measures, installing most up to date technology, software and equipment, to meet and exceed future guidelines

Our investment in resident room standard upgrades resulted in over 50% of our supported housing units achieving the lettable standard as per the Decent Homes Act.

The investment in property improvement has upgraded the living environment for all tenants.

Our mealtimes are a key time for our residents. The investment in new kitchens ensures food hygiene is maintained at the highest level and enables us to prepare meals that provide good and appropriate nutrition to our residents.

Living in a more safe and secure, and a comfortable and well-presented environment, our residents are noticeably happier, and it gives them and their families greater peace of mind and a less stressful life.

Website and Marketing

We revolutionised our website and marketing approach to be more professional. Our new branding gives us a clearer visual identity, lifting us into a more modern way of operating.

Policies and procedures

During the year, we ended our affiliation with the Abbeyfield movement, requiring a change of name and a detailed review of operations, policies and procedures which were successfully concluded.

We successfully converted all existing policies and procedures to a modern format, fully compliant with current housing guidelines, utilising our membership of both the National Housing Federation and Chartered Institute of Housing and their resources.

We have continued development of supporting systems and technology, implementing online reporting for all sites to report expenditure in a timely manner.

In addition, we completed implementation of the Landlord code of conduct and this is now fully embedded into standard procedures.

Other achievements

We celebrated the 80th anniversary of VE day, bringing our whole organisation together at Southern Oaks Nonsuch for a wonderful day as part of a host of different events.

We have also significantly increased number of volunteers who perform and assist with many activities and events to combat the possible loneliness of our residents. Our active volunteers increased to 54 individuals who support activities to engage residents. This gives our residents a broad range of options to engage with fellow residents. This engagement gives them more opportunities for a fulfilling living experience.

SOUTHERN OAKS RETIREMENT LIVING (FORMERLY ABBEYFIELD SOUTHERN OAKS) TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2025

Residential engagement

Resident engagement is vital to ensure we receive feedback on our services.

We have a Trustee specifically charged with visiting our supported houses regularly and speaking to residents and staff and reporting back to our bi-monthly Services Committee.

At Southern Oaks Nonsuch we have a formal meeting with residents' representatives every few months and an open meeting for all residents twice a year. We hold other meetings and consultations as required e.g. finance meetings to explain any changes to charges and utility costs. Progress on open matters is displayed on a notice board.

Overview of performance and financial position

Charitable Activity Results for the Year

Total income for the charity for the year to 30 September 2025 was £2,415k, of which £2,130k was derived from charitable activities. Total expenditure for the year was £2,188k, of which £2,142k was expenditure on charitable activities.

Total deficit on charitable activities was £(12k). We have achieved close to a break-even position from our charitable activity, which is an excellent result. It demonstrates that our properties are generating sufficient income, from rent and associated charges, in the year to fund related expenditure. This allows us to use, or accumulate, our other income in full to invest in the future of our Society.

The overall surplus for the year for the charity was £334k. Our main sources of other income are returns on our financial assets, both bank interest and gains on investment funds, and donations.

Prior year adjustment

We reviewed our treatment of tangible assets this year, prior to setting up a new asset register. This review identified an understatement of our Old Schools Lane land value and some misclassification between asset classes at Southern Oaks Nonsuch. The resulting corrections increased our brought forward balance sheet value by £1,655k and reduced the current year depreciation charges by £50k.

Reserves Policy

The Board's policy is to retain such reserves as in the Board's judgment are adequate to cover for contingencies in meeting essential services. These include:

- Day-to-day expenditures, including a contingency for any large unforeseen items.
- Funding for development projects.
- Major repairs and renewals expenditures agreed as appropriate on the Society's operating properties.

In addition, designated reserves are maintained for Amenity Funds and the minibus to monitor specific bequests and donations. The Amenity Funds are formed of multiple various donations and used for activities and trips for our residents. The minibus reserve covers the operation of our minibus. The bequest received from Mrs Eveline Walker was used to purchase the minibus and continues to cover the operational costs.

After transfer of the surplus for the year of £334k (2024 as restated: £5,515k), and other transfers at the year-end, income funds increased to £14,579k (2024 as restated: £14,245k). Restricted reserves are nil. (2024: £6k).

Treasury Management

The Society's financial resources consist mainly of cash and bank deposits. We also have two separate investment portfolios. The Society holds sufficient funds to meet day to day requirements. We have a small debt, as a Housing Association loan transferred to us from AC&F, for £55k. This is charged against our Chipstead Street property.

The Society invests surplus funds in interest-bearing deposit accounts.

In line with Government guidance, the Society's policy is to pay purchase invoices within 30 days of receipt, or earlier if agreed with the supplier.

SOUTHERN OAKS RETIREMENT LIVING (FORMERLY ABBEYFIELD SOUTHERN OAKS) TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2025

Investment Policy

Funds which are unlikely to be required in the foreseeable future are invested with funds managers with agreed parameters on investments and risk. These are reviewed periodically by the Finance team in discussion with the managers as appropriate.

Cash Flow and Liquidity

The statement of cash flows on page 16 of the financial statements shows that during the year the Society generated net cash inflow from operating activities of £1,366k (2024: £894k restated). Total net cash movement for the year was a cash inflow of £1,351k (2024: inflow £823k) primarily due to the receipt of funds from the sale of our Old House property in October 2024.

Going Concern

The Trustees consider the charity has adequate resources to continue for the foreseeable future and accordingly continues to adopt the going concern basis of accounting.

Value for Money

The Regulator for Social Housing (RSH) issued a Value for Money Standard in April 2017. The Society recognises the importance of these Standards on its regulated housing provision. However, Supported Housing only represents part of the Society's revenue with the rest being made up of support services for our residents.

The strategy for The Society is currently based on maintaining the performance of its existing properties, maintaining high occupancy rates, and exploring opportunities for growth which may necessitate the disposal of underperforming assets. To the extent this involves our houses, we will be very aware of the need to care for our existing residents and staff as part of our evaluation and courses of action.

Operational effectiveness and VFM are managed by the Services Committee which meets formally every 2 months. Several trustees work together to direct and oversee the Society's financial management and the development of enhanced management information along with a range of operational matters that eventually are referred to the Board.

Value for Money Metrics

The Regulator of Social Housing requires the Society to publish performance metrics against its own Value for Money targets. These measure economy, efficiency and effectiveness of all similar operations.

There are 7 metrics covered by this technical note. The society did not set specific targets at the beginning of the financial year.

Metric 1 – Reinvestment %

The Reinvestment metric looks at the investment in properties (Existing stock and New Supply) as a percentage of the value of total properties held.

The Society metric for reinvestment is 1.1% (2024:1.1%).

Metric 2 – New Supply Delivered %

The New Supply metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.

No new supply was delivered in the year for social housing units (2024: None).

No new supply was delivered in the year for non-social housing units (2024: None).

Metric 3 – Gearing %

The gearing metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance.

The gearing for the Society is negative at -39.1% (2024: -31.6%)

SOUTHERN OAKS RETIREMENT LIVING (FORMERLY ABBEYFIELD SOUTHERN OAKS) TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2025

Metric 4 - Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %

The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity.

The EBITDA MRI interest cover for the Society is 7,086% (2024: 8,369%).

Metric 5 - Headline social housing cost per unit

The Headline social housing cost per unit metric assesses the headline social housing cost per unit as defined by the regulator.

The headline social housing cost per unit for the Society is £19,226 (2024: £17,011).

Metric 6 - Operating Margin %

The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account.

The Society's operating margin on social housing lettings only is 1.73% (2024: 1.95%) The Society's overall operating margin is 1.48% (2024: 11.62%).

Metric 7 - Return on capital employed (ROCE) %

The ROCE compares the operating surplus to total assets less current liabilities. The Society's ROCE is 0.22% (2024: 38.7%).

Principal Risks and Uncertainties

The Board monitors and controls all significant risks. The Risk and Oversight Committee (ROC) chaired by a former Chair has a broad remit and provides ongoing regular oversight of these important areas and has full access to staff, Trustees and information.

The Board maintain a risk map which ranks risk and identifies the actions to mitigate these risks. These risks and actions are monitored at formal Board meetings and by the Risk and Oversight Committee.

Key risks highlighted by the board and the applied mitigation strategies are detailed below:

- Loss of income due to void units.
Mitigated via diversifying income streams and client base and maintaining close contact with local councils and other referring organisations. We actively market vacancies via online independent referral agencies and maintain waiting lists to maximise efficiency of void management. We also perform live position reporting to Services Committee and through to Trustees.
- Operational costs increase above CPI making our social housing unaffordable.
Mitigated via proactive management of supplier contracts to ensure costs remain within affordable thresholds, and continual review of cost base determining need and priority.
- Pension/income protections removed and our residents can no longer pay their charges and maintain their current lifestyle.
Mitigated via cost management to maintain affordability.
- Impact of legal reform to income and costs.
Mitigated via forward looking approach to assess impact and ensure readiness prior to implementation.
- Inability to deliver planned development and growth of existing housing stock.
Mitigated via continued investment in upgrading stock and identifying opportunities to create modern affordable housing.

SOUTHERN OAKS RETIREMENT LIVING (FORMERLY ABBEYFIELD SOUTHERN OAKS) TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2025

Plans for Future Periods

The Board's strategic priorities for next year to continue to meet the objectives of the charity are as follows:

- Facilitate Epsom Sports Club (ESC) to complete long awaited pavilion
- Review property portfolio to ensure all are independently financially viable
- Consolidate operational position organisation for further growth and development
- Continue to improve communal facilities and fully achieve lettable standards across all properties
- Build on existing network with similar local and regional organisations
- Position ourselves to easily deliver future housing acts e.g. Rental Reform Act
- Continue to review all relevant legislation and related regulations for changes which need to be implemented.

Structure, governance and management

Governing document and legal status

Southern Oaks Retirement Living was established on 6th September 1962 under a Memorandum and Articles of Association which set out its objects, powers, and governance arrangements.

The Society is a registered charity in England & Wales (No. 247308), a registered housing association with the Regulator of Social Housing (No. H1185), and a company limited by guarantee which does not have a share capital (No. 00734705). Every member of the Society undertakes to contribute an amount not exceeding £1 to the assets of the Society in the event of winding up.

The total number of such members at 30th September 2025 was 9 (2024: 48). This reduction occurred following a meeting of Members on 12th November 2024 and following legal advice, where new Articles of Association were adopted by unanimous vote to change the definition of Member to solely current Members of the Board of Trustees. Following the change of Articles, there is no need for an AGM and approval by the Board of these accounts is sufficient.

Trustees

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

A F Carrington	(Resigned 14 May 2025)
S L Eagle	(Resigned 10 March 2025)
D K L Horne	
Dr A M Hoy	
N C L Macdonald	(Resigned 12 November 2024)
J W Mann	
Y McCabe	
A Mehmet	(Resigned 14 May 2025)
S J Moore	
A S Parsons	(Resigned 14 May 2025)
C N Shore	
Dr M W Wakerley	
G A J Walker	(Resigned 12 November 2024)
J O'Neill	(Appointed 14 May 2025)
C Elliott	(Appointed 14 May 2025)

SOUTHERN OAKS RETIREMENT LIVING (FORMERLY ABBEYFIELD SOUTHERN OAKS) TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2025

Trustee recruitment and induction

We recruit using a range of methods including, but not limited to, advertising online, from our existing trustees and volunteers' network, and using specialist trustee recruitment agencies. Two new Trustees joined the Board this year each bringing directly relevant experience and skill appropriate to different areas of our activities. New trustees are inducted into the Society by the Chair and their predecessor, where possible.

Committees and decision-making

The Board recognises the importance of good governance and regularly reviews its governance arrangements to ensure it supports the Society's strategy and operations. The structure references the 3rd edition of The Charity Governance Code (for larger charities) published in July 2017, with the support and endorsement of the Charities Commission, and The Governance and Financial Viability Code of Practice, published by the Homes and Communities Agency in April 2015.

The Board considers that the charity is compliant with the Governance and Financial Viability Standard and there have been no instances of non-compliance in the year.

The Code of Governance adopted by the Charity is The Charity Code of Governance.

The Board of Trustees provides overall strategic leadership and oversight, supported by formal committees including the Services Committee and the Risk and Oversight Committee.

The Board retains responsibility for key strategic decisions, approval of budgets, policies, major investments, risk management and oversight of operational performance. Day-to-day management is delegated to the senior leadership team, who implement Board-approved strategies, manage staff, oversee property operations and ensure compliance with regulatory requirements. Trustees conduct regular site visits and receive formal reports to support informed decision-making.

The remuneration of key management personnel is set by the Board, using sector benchmarks, market comparisons and affordability considerations. Pay levels are reviewed periodically to ensure they remain appropriate, fair and consistent with the charity's objectives, financial capacity and responsibilities as a registered provider of social housing.

The Board is satisfied that its governance arrangements are currently compliant with the principles of the Charity Commission's Guidelines.

Health & Safety

The Society is aware of its responsibilities on matters relating to health and safety. The Society has prepared detailed health and safety policies and provides training and education to our staff on health and safety matters.

There were no RIDDOR reportable Health and Safety incidents in the year ended 30th September 2025 (2024: Nil).

Trustees and Volunteers

The Society could not function without the invaluable help of our Volunteers, which includes our Trustees, who give so much time and effort to helping the Society progress and prosper. Many of them use their skills from their own working life and we cannot thank all our volunteers enough for all they contribute to our Society.

During the reporting period, volunteers played a vital role in supporting services across the independent living community and three supported living houses. Approximately 54 volunteers contributed a total of around 5,225 hours (3.5 FTE), providing significant additional capacity to enhance resident wellbeing and community engagement and saving the charity significant costs.

Volunteer roles included reception support, befriending, minibuss driving and chaperoning, bar staff, and support for social, recreational, and wellbeing activities such as coffee mornings, music and sing-along sessions, arts and crafts, bingo, and exercise programmes. Many of these activities supported both one-to-one and group-based social engagement, helping to reduce isolation and promote participation in community life.

Volunteers also supported profile-raising and community engagement activities, including garden parties at Nonsuch and Purley and stalls at local borough events, helping to raise awareness of the charity and strengthen links with the wider community.

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

Volunteer activity is coordinated and overseen by a Volunteer Coordinator, who is responsible for recruitment, induction, communication, and maintaining links with local volunteer centres across the borough, ensuring volunteer involvement remains purposeful, well-supported, and aligned with organisational priorities.

The success of volunteer involvement is assessed through the scale and continuity of volunteer activity, resident engagement and participation, volunteer retention, informal feedback from residents, volunteers, and staff, and the extent to which volunteer support enables activities that would not otherwise be achievable within existing staffing resources.

Statement of Trustees responsibilities

The Trustees, who are also the directors of Southern Oaks Retirement Living for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

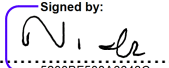
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Housing SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

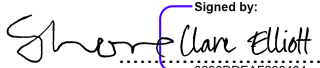
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees report was approved by the Board of Trustees.

Signed by:

5200BF508A6643C...
C N Shore
Trustee

Signed by:

0096DDEAF238434...
C Elliott
Trustee

Date: 18 March 2026 | 11:30 GMT
.....

SOUTHERN OAKS RETIREMENT LIVING (FORMERLY ABBEYFIELD SOUTHERN OAKS) INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHERN OAKS RETIREMENT LIVING

Opinion

We have audited the financial statements of Southern Oaks Retirement Living (the 'charity') for the year ended 30 September 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SOUTHERN OAKS RETIREMENT LIVING (FORMERLY ABBEYFIELD SOUTHERN OAKS) INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SOUTHERN OAKS RETIREMENT LIVING

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We have gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures at charity levels to respond to the risk, recognising that risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, Charities Act 2011, taxation legislation, financial authority regulation, data protection, anti-bribery and health and safety legislation.

SOUTHERN OAKS RETIREMENT LIVING (FORMERLY ABBEYFIELD SOUTHERN OAKS) INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SOUTHERN OAKS RETIREMENT LIVING

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included inquiries of management their own identification and assessment of the risks of irregularities, comparing total expected income to actual on a proof in total basis, risk-based sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

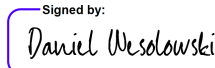
Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

24D3CC597F31422...

Daniel Wesolowski (Senior Statutory Auditor)
for and on behalf of FLB Audit LLP
Statutory Auditor
1010 Eskdale Road
Winnersh Triangle
Wokingham
Berkshire
RG41 5TS

18 March 2026 | 11:32 GMT
.....

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

		Unrestricted funds and total 2025	Unrestricted funds 2024 As restated	Restricted funds 2024	Total 2024 As restated
	Notes	£	£	£	£
<u>Income and endowments from:</u>					
Donations and legacies	3	54,473	4,931,188	-	4,931,188
Charitable activities	4	2,130,015	1,939,038	-	1,939,038
Other trading activities	5	34,092	30,953	-	30,953
Investments	6	194,839	77,415	-	77,415
Other income	7	1,787	557,854	-	557,854
Total income		2,415,206	7,536,448	-	7,536,448
<u>Expenditure on:</u>					
Raising funds	8	4,733	2,337	-	2,337
Charitable activities	9	2,142,360	2,069,887	6,142	2,076,029
Other	11	40,644	18,422	-	18,422
Total expenditure		2,187,737	2,090,646	6,142	2,096,788
Net gains/(losses) on investments	17	105,897	74,983	-	74,983
Net income/(expenditure) and net movement in funds		333,366	5,520,785	(6,142)	5,514,643
Fund balances at 1 October 2024		14,245,613	8,724,828	6,142	8,730,970
Fund balances at 30 September 2025		14,578,979	14,245,613	-	14,245,613

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

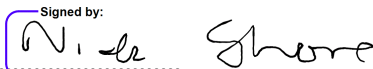
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SOUTHERN OAKS RETIREMENT LIVING (FORMERLY ABBEYFIELD SOUTHERN OAKS) BALANCE SHEET

AS AT 30 SEPTEMBER 2025

		2025		2024	
	Notes	£	£	As restated	£
Fixed assets					
Tangible assets	19	11,165,929		11,312,801	
Investments	20	1,443,393		1,309,793	
		<u>12,609,322</u>		<u>12,622,594</u>	
Current assets					
Stocks	22	10,134		9,164	
Debtors	23	146,467		1,264,073	
Cash at bank and in hand		4,075,141		2,735,298	
		<u>4,231,742</u>		<u>4,008,535</u>	
Creditors: amounts falling due within one year	24	(825,570)		(690,429)	
Net current assets		<u>3,406,172</u>		<u>3,318,106</u>	
Total assets less current liabilities		<u>16,015,494</u>		<u>15,940,700</u>	
Creditors: amounts falling due after more than one year	25	(1,436,515)		(1,695,087)	
Net assets		<u><u>14,578,979</u></u>		<u><u>14,245,613</u></u>	
Income funds					
<u>Unrestricted funds</u>					
Designated funds	28	754,272		690,173	
General unrestricted funds		12,964,248		12,694,981	
Revaluation reserve		860,459		860,459	
		<u>14,578,979</u>		<u>14,245,613</u>	
		<u><u>14,578,979</u></u>		<u><u>14,245,613</u></u>	

The financial statements were approved by the Trustees on 18 March 2026 | 11:30 GMT

Signed by:

 C N Shore
 Trustee

Signed by:

 C Elliott
 Trustee

Company registration number 00734705

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 30 SEPTEMBER 2025

		2025		2024 As restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	30		1,366,484		911,733
Investing activities					
Purchase of tangible fixed assets		(170,833)		(137,231)	
Proceeds from disposal of tangible fixed assets		2,529		-	
Purchase of investments		(223,611)		(11,951)	
Proceeds from disposal of investments		206,745		7,735	
Investment income received		169,839		52,415	
Net cash used in investing activities			(15,331)		(89,032)
Net increase in cash and cash equivalents			1,351,153		822,701
Cash and cash equivalents at beginning of year			2,739,826		1,917,125
Cash and cash equivalents at end of year			4,090,979		2,739,826
Relating to:					
Cash at bank and in hand			4,075,141		2,735,298
Cash held within listed investments managed fund			15,838		4,528

SOUTHERN OAKS RETIREMENT LIVING (FORMERLY ABBEYFIELD SOUTHERN OAKS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2025

1 Accounting policies

Charity information

Southern Oaks Retirement Living (formerly Abbeyfield Southern Oaks) is a registered charity in England and Wales (No. 247308), a registered housing association with the Regulator of Social Housing (No. H1185) and a private company limited by guarantee (No. 00734705) which does not have a share capital. Every member of the Society undertakes to contribute an amount not exceeding £1 to the assets of the Society in the event of winding up.

The registered office address is: Nonsuch Abbeyfield Old Schools Lane, Ewell, Epsom, Surrey, KT17 1FL.

The Society is engaged in social housing activities as defined in the Housing and Regeneration Act 2008.

The Society is associated by name and objects with, and is an associated member of, The Abbeyfield Society, which provides guidance, co-ordination, initiative, development and representation to independent Abbeyfield Societies throughout the United Kingdom.

Since its formation, the objects of the Society have been to carry on for the benefit of the community the provision and management of housing for letting for the support and care of older people of all classes exposed to the disabilities of old age, or otherwise being in need.

The Society operates seven supported and affordable living properties at 2 Purley Knoll, Purley, Surrey CR8 3AE, 82 York Road, Cheam, Surrey SM2 6HJ, 82 Mulgrave Road, Sutton, Surrey SM2 6LZ, Nonsuch, Old Schools Lane, Ewell, Surrey KT17 1FL, 9 Coniger Road, Fulham, 23 Chipstead Street and 8 Penywern Road, London, SW5 9ST. It also owns the playing fields at Old Schools Lane, Ewell, Surrey, KT17 1FL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Statement of Recommended Practice Accounting for Registered Social Housing Providers 2018 (Housing SORP), the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

SORP Departure

The Society has departed from the Housing SORP by opting to produce a Statement of Financial Activities under the Charities SORP because it judged this treatment more appropriate in presenting detailed information to the members. As a result, the Statement of Comprehensive Income required under the Housing SORP has been omitted. It is considered that the equivalent information can be obtained from the Statement of Financial Activities included.

The Statement of Changes in Reserves required under the Housing SORP has also been omitted, however this information is presented in notes 28 & 29 of the financial statements.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

SOUTHERN OAKS RETIREMENT LIVING (FORMERLY ABBEYFIELD SOUTHERN OAKS) NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2025

1 Accounting policies (Continued)

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Where income is received in advance of meeting any performance related conditions and there is not unconditional entitlement to the income, its recognition is deferred and included in creditors as deferred income until the performance conditions are met.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Gain on transfer of assets and liabilities is recognised at the fair value at which the assets and liabilities are transferred.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income consists of rents from residents of supported houses and independent living and fundraising.

Interest income is recognised using the effective interest rate method.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Housing land and buildings are stated at cost less accumulated depreciation. Housing land and buildings purchased prior to the transition to FRS 102 are held at deemed cost.

SOUTHERN OAKS RETIREMENT LIVING

(FORMERLY ABBEYFIELD SOUTHERN OAKS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Straight line over 5 to 50 years
Fixtures, fittings and equipment	Straight line over 5 to 25 years
Motor vehicles	Straight line over 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Freehold land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, of if there is an indication of a significant change since the last reporting date.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential. At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SOUTHERN OAKS RETIREMENT LIVING (FORMERLY ABBEYFIELD SOUTHERN OAKS) NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2025

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense in the period in which payment is made.

1.13 Government Grants - Social Housing Grants

The Society is in receipt of Social Housing Grants, formerly called Housing Association Grants (HAG). Where developments have been wholly or partially funded by such grants, the grant is recognised as income over the useful life of the property which is funded in accordance with the accruals model.

These grants may be repayable in the event that the relevant property is sold, or the Society ceases to use it for social housing, or if certain other relevant events take place, but can be rolled over into other purchase or development activities in certain circumstances.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

2 Critical accounting estimates and judgements

(Continued)

Key sources of estimation uncertainty

Useful economic lives

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. These are amended where necessary to reflect current estimates, based on economic utilisation and physical condition of the assets.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Donations and gifts	20,180	148,358
Government grants receivable	34,293	39,869
Gain on transfer of assets and liabilities	-	4,742,961
	<u>54,473</u>	<u>4,931,188</u>

Government grants receivable represents the amount released under the accruals model in respect of Social Housing grants received for the development and provision of social housing.

4 Income from charitable activities

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Charitable activities		
Income receivable from letting of units	<u>2,130,015</u>	<u>1,939,038</u>

5 Income from other trading activities

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Other income	<u>34,092</u>	<u>30,953</u>

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

6 Investment Income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Lease premium income	25,000	25,000
Income from listed investments	31,451	5,135
Interest receivable	138,388	47,280
	<u>194,839</u>	<u>77,415</u>

7 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Net gain on disposal of tangible fixed assets	-	556,589
Other income	1,787	1,265
	<u>1,787</u>	<u>557,854</u>

8 Raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other fundraising costs	985	161
Investment management	3,748	2,176
	<u>4,733</u>	<u>2,337</u>

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

9 Charitable activities

	Unrestricted funds 2025	Unrestricted funds 2024
	£	As restated £
Staff costs	542,077	402,344
Depreciation and impairment	307,768	381,179
Food and household	217,596	228,332
Repairs and redecoration	102,524	80,401
Rates and utilities	137,282	179,717
Insurance	25,519	23,833
Telephone	677	6,702
Catering costs	332,389	295,206
Sundries	15,591	14,893
Affiliation fees	12,806	22,292
	<u>1,694,229</u>	<u>1,634,899</u>
Share of support costs (see note 10)	415,466	407,233
Share of governance costs (see note 10)	32,665	33,897
	<u>2,142,360</u>	<u>2,076,029</u>
Analysis by fund		
Unrestricted funds	2,142,360	2,069,887
Restricted funds	-	6,142
	<u>-</u>	<u>6,142</u>

All costs have been allocated to the charity's single activity: letting of units.

10 Support costs

	Support costs 2025	Governance costs 2025	Support costs 2024	Governance costs 2024
	£	£	£	£
Staff costs	322,516	-	296,380	-
Miscellaneous expenses	26,684	-	34,958	-
Office expenses	42,384	-	62,618	-
Legal and professional fees	23,882	-	13,277	-
Audit fees	-	28,530	-	24,400
Miscellaneous	-	4,135	-	9,497
	<u>415,466</u>	<u>32,665</u>	<u>407,233</u>	<u>33,897</u>
Analysed between				
Charitable activities	<u>415,466</u>	<u>32,665</u>	<u>407,233</u>	<u>33,897</u>

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

11 Other Expenditure

	Unrestricted funds 2025	Unrestricted funds 2024
Net loss on disposal of tangible fixed assets	7,408	-
Other expenditure	28,571	18,422
Financing costs	4,665	-
	<u>40,644</u>	<u>18,422</u>

12 Net movement in funds

	2025 £	2024 As restated £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	28,530	24,400
Depreciation of owned tangible fixed assets	307,768	381,180
Loss/(profit) on disposal of tangible fixed assets	7,408	(556,589)
	<u>343,706</u>	<u>248,991</u>

13 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2024: Nil).

14 Auditor's remuneration

Fees payable to the charity's auditor and associates:	2025 £	2024 £
Audit of the charity's annual accounts	<u>28,530</u>	<u>24,400</u>
Non-audit services		
All other non-audit services	<u>2,500</u>	<u>2,500</u>

15 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Office	11	10
Social housing staff	<u>14</u>	<u>11</u>
Total	<u>25</u>	<u>21</u>

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

15 Employees (Continued)

Employment costs	2025 £	2024 £
Wages and salaries	776,731	631,498
Social security costs	75,265	57,147
Other pension costs	12,597	10,079
	<u>864,593</u>	<u>698,724</u>

The total remuneration (including pension contributions) for key management personnel amounted to £201,607 (2024: £193,648).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025 Number	2024 Number
£90,001 to £100,000	1	2
£100,001 to £110,000	1	-
	<u>2</u>	<u>2</u>

16 Retirement benefit schemes

Defined contribution schemes	2025 £	2024 £
Charge to profit or loss in respect of defined contribution schemes	<u>12,597</u>	<u>10,079</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

17 Gains and losses on investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Gains/(losses) arising on:		
Revaluation of investments	<u>105,897</u>	<u>74,983</u>

18 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

19 Tangible fixed assets

	Freehold land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 October 2024 (as restated)	11,361,433	1,624,588	14,880	13,000,901
Additions	-	170,833	-	170,833
Disposals	-	(34,836)	-	(34,836)
At 30 September 2025	11,361,433	1,760,585	14,880	13,136,898
Depreciation and impairment				
At 1 October 2024 (as restated)	854,161	822,035	11,904	1,688,100
Depreciation charged in the year	198,846	105,946	2,976	307,768
Eliminated in respect of disposals	-	(24,899)	-	(24,899)
At 30 September 2025	1,053,007	903,082	14,880	1,970,969
Carrying amount				
At 30 September 2025	10,308,426	857,503	-	11,165,929
At 30 September 2024 (as restated)	10,507,272	802,553	2,976	11,312,801

The valuation of freehold operating properties shown above of £11,361,433 (2024 as restated: £11,361,433) includes £3,743,600 (2024 as restated: £3,743,600) attributed to the land element of the properties as estimated by the Trustees.

The freehold operating properties brought forward are in line with trustees estimates of value on an ongoing basis of current use.

20 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 October 2024	1,305,265
Additions	223,138
Disposals	(206,745)
Valuation changes	105,897
At 30 September 2025	1,427,555
Cash held within managed fund	15,838
Carrying amount	
At 30 September 2025	1,443,393
At 30 September 2024	1,309,793

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

21 Financial instruments	2025	2024
	£	As restated £
Carrying amount of financial assets		
Measured at amortised cost	4,199,194	3,956,610
Instruments measured at fair value through profit or loss	1,427,555	1,305,265
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	801,150	869,891
	<u> </u>	<u> </u>
22 Stocks	2025	2024
	£	£
Restaurant and shop stock	10,134	9,164
	<u> </u>	<u> </u>
23 Debtors	2025	2024
	£	£
Amounts falling due within one year:		
Trade debtors	26,949	6,271
Other debtors	85,853	1,215,983
Prepayments and accrued income	33,665	41,819
	<u> </u>	<u> </u>
	146,467	1,264,073
	<u> </u>	<u> </u>
24 Creditors: amounts falling due within one year	2025	2024
	£	£
	Notes	
Other taxation and social security	20,581	16,151
Deferred income	26 59,293	59,280
Trade creditors	57,670	122,182
Other creditors	474,965	288,084
Accruals	213,061	204,732
	<u> </u>	<u> </u>
	825,570	690,429
	<u> </u>	<u> </u>

Included within other creditors is £278,795 (2024: £278,795) in respect of a Social Housing grant which has become repayable in full on sale of the property to which it relates.

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

25 Creditors: amounts falling due after more than one year

		2025	2024
	Notes	£	As restated £
Borrowings		55,628	55,628
Deferred income	26	1,380,887	1,440,193
Other creditors		-	199,266
		<u>1,436,515</u>	<u>1,695,087</u>

26 Deferred income

	2025	2024
	£	£
Arising from government grants	1,365,230	1,399,523
Other deferred income	74,950	99,950
	<u>1,440,180</u>	<u>1,499,473</u>

Deferred government grants represent the balance of Social Housing grants being released over the useful life in line with the asset to which they relate.

These grants may be repayable in the event that the relevant property is sold, or the Society ceases to use it for social housing, or if certain other relevant events take place, but can be rolled over into other purchases or development activities in certain circumstances. The total value of the grants awarded to the charity is £1,993,441 (2024: £1,993,441).

Deferred income is included in the financial statements as follows:

	2025	2024
	£	£
Deferred income is included within:		
Current liabilities	59,293	59,280
Non-current liabilities	1,380,887	1,440,193
	<u>1,440,180</u>	<u>1,499,473</u>
Movements in the year:		
Deferred income at 1 October	1,499,473	1,789,263
Released from previous periods	(59,293)	(64,869)
Reclassification of grant liability on sale of property	-	(224,921)
	<u>1,440,180</u>	<u>1,499,473</u>
Deferred income at 30 September	<u>1,440,180</u>	<u>1,499,473</u>

SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

27 Loans and overdrafts

	2025	2024
	£	£
Other loans	55,628	55,628
	<u>55,628</u>	<u>55,628</u>
Payable after one year	55,628	55,628
	<u>55,628</u>	<u>55,628</u>

The loan from the Housing Association is secured on certain of the society's Freehold Housing Properties included at a deemed cost of £734,000 (2024 as restated: £734,000). The loan is not repayable unless the Freehold Property is sold. The interest on the Housing Association loan has been charged at the commencement of the loan and is included in the amount of the loan. The loan received is repayable on the sale of the Freehold Housing Property included at deemed cost of £734,000 (2024 as restated: £734,000).

28 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 October 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 30 September 2025
	As restated £	£	£	£	£	£
Designated funds						
Amenity Funds	24,171	14,104	(13,975)	-	-	24,300
Major Repair Reserves	604,521	56,923	-	-	-	661,444
Resident Transport Reserve	61,479	-	7,049	-	-	68,528
Property Revaluation Reserve	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Designated fund	690,171	71,027	(6,926)	-	-	754,272
General funds	12,694,983	2,344,179	(2,180,811)	-	105,897	12,964,248
Revaluation reserve	860,459	-	-	-	-	860,459
	<u>14,245,613</u>	<u>2,415,206</u>	<u>(2,187,737)</u>	<u>-</u>	<u>105,897</u>	<u>14,578,979</u>

SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025

28 Unrestricted funds

(Continued)

Previous year:	At 1 October 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 30 September 2024
	As restated		As restated			As restated
	£	£	£	£	£	£
Designated funds						
Amenity Funds	28,194	904	(4,926)	-	-	24,172
Major Repair Reserves	547,598	56,923	-	-	-	604,521
Resident Transport Reserve	66,500	-	(5,020)	-	-	61,480
Total Designated fund	642,292	57,827	(9,946)	-	-	690,173
General funds	7,222,077	7,478,621	(2,080,700)	-	74,983	12,694,981
Revaluation reserve	860,459	-	-	-	-	860,459
	<u>8,724,828</u>	<u>7,536,448</u>	<u>(2,090,646)</u>	<u>-</u>	<u>74,983</u>	<u>14,245,613</u>

Amenity Funds

These funds have been designated to provide additional amenities and entertainment to residents outside of core activities.

Major Repairing Reserve

It is the Trustees' opinion that funds will be required for future cyclical and major repairs in the medium and long term for their existing properties. Amounts previously set aside for this purpose have been carried forward as designated reserves. Amounts similar to those provided in previous years will continue to be set aside as reserves in future years.

The amounts so set aside are based on the Society's obligation to carry out such works on a continuing basis for the future maintenance of its properties, based on planned programmes of work for which grants will not be available.

Resident Transport Reserve

These funds from the bequest from Mrs Eveline Walker have been set aside with the purpose to provide transport for the residents of Southern Oaks Retirement Living.

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

29 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Fund balances at 30 September 2025 are represented by:			
Tangible assets	11,165,929	-	11,165,929
Investments	1,443,393	-	1,443,393
Current assets/(liabilities)	3,406,172	-	3,406,172
Long term liabilities	(1,436,515)	-	(1,436,515)
	<u>14,578,979</u>	<u>-</u>	<u>14,578,979</u>

	Unrestricted funds 2024 As restated £	Restricted funds 2024 £	Total 2024 As restated £
Fund balances at 30 September 2024 are represented by:			
Tangible assets	11,312,801	-	11,312,801
Investments	1,309,793	-	1,309,793
Current assets/(liabilities)	3,311,964	6,142	3,318,106
Long term liabilities	(1,695,087)	-	(1,695,087)
	<u>14,239,471</u>	<u>6,142</u>	<u>14,245,613</u>

30 Cash generated from operations

	2025 £	2024 As restated £
Surplus for the year	333,366	5,514,643
Adjustments for:		
Investment income recognised in statement of financial activities	(194,839)	(77,415)
Loss/(gain) on disposal of tangible fixed assets	7,408	(556,589)
Non cash gain on transfer of assets and liabilities	-	(4,199,407)
Grant income receivable	(34,293)	(39,869)
Fair value gains and losses on investments	(105,897)	(74,983)
Depreciation and impairment of tangible fixed assets	307,768	381,179
Movements in working capital:		
(Increase) in stocks	(970)	(155)
Decrease in debtors	1,117,606	3,912
(Decrease)/increase in creditors	(63,665)	232,928
(Decrease) in deferred income	-	(289,790)
Cash generated from operations	<u>1,366,484</u>	<u>894,454</u>

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

31 Analysis of changes in net funds

	At 1 October 2024	Cash flows	At 30 September 2025
	£	£	£
Cash at bank and in hand	2,739,826	1,351,153	4,090,979
Loans falling due after more than one year	(55,628)	-	(55,628)
	<u>2,684,198</u>	<u>1,351,153</u>	<u>4,035,351</u>

32 Events after the reporting date

Under the terms of the Section 106 planning agreement entered into between the Society and Epsom and Ewell Borough Council the Society has committed to fund the construction of a sports pavilion at Old Schools Lane prior to 2nd January 2028.

The Society has an agreement to develop and lease the pavilion to Epsom Sports Club on a term that is coterminous with the lease of the playing fields, provided that Epsom Sports Club can meet its financial obligations under the lease.

Post year end, Epsom Sports Club has confirmed that they have sufficient funds to meet these obligations and the agreement has been amended to reflect the agreed pavilion works construction terms and value of the lease premium which, in combination with grant funding provided to Epsom Sports Club, will fund the majority of the construction.

Southern Oaks has subsequently entered into the construction contract for the Pavilion, totalling £1,870,961.

Southern Oaks has a remaining liability towards the construction at the year-end of £155,231. The balance of the construction will be funded by Epsom Sports Club.

33 Related party transactions

Other than remuneration of key management personnel disclosed in note 16, there were no disclosable related party transactions during the year (2024 - none).

34 Social Housing Stock

The number of bed spaces excluding staff & guest rooms available as Social Housing Accommodation for the year was 73 (2024: 73).

All properties are owned and managed by the Society.

35 Contingencies

Under the terms of the Section 106 planning agreement entered into between the Society and Epsom and Ewell Borough Council the Society has committed to fund the construction of a sports pavilion at Old Schools Lane prior to 2nd January 2028. Provided that Epsom Sports Club can meet its financial obligations under the lease, the Society has an agreement to lease the pavilion to the sports club on a term that is coterminous with the lease of the playing fields.

**SOUTHERN OAKS RETIREMENT LIVING
(FORMERLY ABBEYFIELD SOUTHERN OAKS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

37 Surplus/(deficit) in respect of social housing activities

	2025	2024
	£	As restated £
Income		
Rent receivable excluding service charges	750,392	620,867
Service charges	660,802	607,281
Government grants receivable	34,293	39,869
Other income in relation to the provision of services to residents in social housing	195,052	181,530
	1,640,539	1,449,547
Operating expenditure		
Affiliation fees	(8,004)	(14,169)
Housekeeping & catering	(308,103)	(271,866)
Depreciation	(274,773)	(315,250)
Insurance	(18,056)	(16,571)
Rates & utilities	(108,152)	(133,106)
Repairs & decorations	(51,658)	(55,137)
Staff costs	(698,203)	(539,161)
Sundries	(28,336)	(17,643)
Telephone	(1,019)	(6,702)
Office expenses	(17,871)	(31,760)
Audit fee	(19,107)	(16,836)
Legal & professional	(28,385)	(47,854)
	(1,561,667)	(1,466,055)
Surplus/(deficit) for the year in respect of social housing activities	78,872	(16,508)
<i>Void losses (being rental income lost as a result of property not being let, although it is available for letting)</i>	<i>(81,905)</i>	<i>(73,394)</i>

37 Prior period adjustment

A prior period error was identified whereby leasehold land was disposed of in error as part of the cost of sales of leasehold properties developed by the charity, which were sold externally between 1 October 2019 and 30 September 2022. A prior period adjustment has been recognised to include the land as an asset of the charity.

In addition, in performing a periodic detailed review of the fixed asset register, management identified tangible fixed assets as misclassified from date of purchase. Misclassification included recognition of assets under construction which should have been net against an existing creditor. A prior period adjustment has been recognised to correct the tangible fixed asset classifications and associated depreciation charges.

The impact of these adjustments is illustrated below.

(Continued)

At 30 September 2024		
As previously reported	Adjustment	As restated
£	£	£
9,738,928	1,573,873	11,312,801
(280,340)	81,074	(199,266)
<u>9,458,588</u>	<u>1,654,947</u>	<u>11,113,535</u>
12,590,666	1,654,947	14,245,613

5,522,329	1,699,749	7,222,078
11,040,034	1,654,947	12,694,981

7,031,221	1,699,749	8,730,970
12,590,666	1,654,947	14,245,613

Year ended 30 September 2024		
As previously reported	Adjustment	As restated
£	£	£
2,031,227	44,802	2,076,029
5,559,445	(44,802)	5,514,643

Accounts

Charity registration number 247308

Company registration number 00734705 (England and Wales)

ABBNEYFIELD SOUTHERN OAKS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

ABBNEYFIELD SOUTHERN OAKS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A F Carrington D K L Horne Dr A M Hoy J W Mann Y McCabe (Appointed 22 November 2023) A Mehmet (Appointed 21 November 2023) S J Moore A S Parsons C N Shore Dr M W Wakerley
Charity number	247308
Company number	00734705
Regulator of Social Housing number	H1185
Registered office	Nonsuch Abbeyfield Old Schools Lane Ewell Epsom Surrey KT17 1FL
Auditor	FLB Audit LLP 1010 Eskdale Road Winnersh Triangle Wokingham Berkshire RG41 5TS

ABBNEYFIELD SOUTHERN OAKS

CONTENTS

	Page
Report from the Chair	1 - 3
Trustees report	4 - 9
Statement of Trustees responsibilities	10
Independent auditor's report	11 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 34

ABBNEYFIELD SOUTHERN OAKS

REPORT FROM THE CHAIR

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Introduction

This is my first Report to our Members, and it would be remiss of me not to offer a huge vote of thanks to Graham Walker and Nigel Macdonald who took over as interim Chairs when the previous Chair stepped away unexpectedly. They worked hard to steady the ship post covid and I have taken over at a particularly exciting time for ASO. I am also very grateful to both of them for remaining as Trustees for my first year in office, only stepping down after the end of the financial year reported in the following pages so that they could input into the debate about our future direction and helping me guide a relatively inexperienced group of Trustees. Their experience and expertise will not be lost to us, and they are staying around as volunteers as and when needed.

In last year's report, Nigel and Graham explained that Julie Macdonald had had to step down as a Trustee because of increasing family commitments stretching as far as New Zealand and that we would miss her expertise. However, despite not being a Trustee, Julie has been an integral part in getting our new accounting system up and running with all the many complications from all the moving parts of our charity. Julie has spent countless hours supporting Mandy Coe our Finance Manager and our Finance Trustee, Andy Parsons. We would all like to express our huge gratitude to her, that despite not being a Trustee, she gave so much of her time.

It would also be remiss of me not to thank the Ohlson family for their generous support of ASO in gifting an entire garden and many tables and seats for an area of Nonsuch. We hope their gift will give pleasure to the residents for years to come.

Abbeyfield Chelsea and Fulham

The full and formal integration of AC&F into ASO was completed in January 2024. We are grateful to the former Board of AC&F and particularly Monica Sharp as Chair for entrusting their assets to ASO to use in our business and in our plans for the future.

Members

Following legal advice, our Articles were amended to make Members simply the current Board. It had become clear from non-attendance at both AGMs and Special Meetings that the vast majority of Members had little or no time to even contact us, let alone attend meetings even virtually and with time, we had lost track of a number who may have passed on or moved without letting us know. The change has simplified our administration, but it is a pity to lose contact with so many who had given to ASO over the years.

Board

Last year's report noted the addition of a number of new Trustees. We have been fortunate to retain most of them (see full list in the pages following) and they have integrated seamlessly into the team and worked well with our Executive

As noted above, Graham and Nigel have stepped down after the close of the year and Anne Carrington has indicated her wish to step down from the Board. Anne has been involved with Abbeyfield from an early age and has more recently chaired the team of volunteers at Purley Knoll as well as sitting on the Board with a special responsibility for residents and volunteers. She has spent countless hours visiting all our sheltered houses on a regular basis to keep in touch with staff, residents and volunteers and to bring any issues to the Services Committee, the Executive and the Board. I am so grateful to Anne for all she does, much behind the scenes but knowing someone is looking after these areas and reporting back on the state of health of each house is a great comfort to me and the rest of the Board. Anne will be a hard act to follow, and we are actively looking for her replacement. A very big thank you to Anne for all she has given to ASO and its predecessors.

Steve Eagle has also recently stepped down as a Trustee. Steve has been invaluable in helping us understand the issues with our catering suppliers at Nonsuch and how to get the best out of them. Because of work commitments, Steve has not been able to attend a number of meetings and has suggested he steps down as a Trustee but fortunately for us, he is remaining as a Volunteer and we are able to call on his expertise as we need.

The Board meets usually 4 times a year to review finances, areas of risk and operational matters referred to it by the Services Committee. The Board has gelled well this year and Trustees are clear about their roles and responsibilities to each other and ASO as a whole.

ABBEYFIELD SOUTHERN OAKS

REPORT FROM THE CHAIR (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

There are many challenges ahead and I am grateful for the input of the Board in formulating our strategy and plans for the medium to long term future and wanting to be actively involved in carrying these out. The Board is not a traditional Board in the sense our Trustees are very actively involved, and I appreciate the many hours they give to helping ASO make a difference to residents and staff and plan our future.

Services Committee

This Committee is responsible for overseeing the operations of ASO and consists of a number of Trustees, some volunteers and various members of the Executive. It meets monthly and receives reports from Martin King our Director of Business and Operations, Mandy Coe, our Finance Manager and Jo Taylor our Community Manager along with reports on volunteers, staff and residents. A number of Trustees bring valuable input from their own work and background experience in helping us move forward on a number of operational areas. Key matters are summarised for the Board so decisions that affect ASO can be discussed and concluded.

Key developments in the year

We completed the formal integration of Abbeyfield Chelsea and Fulham into ASO, and the year has involved time welcoming their staff and residents into the ways of ASO. We have inherited 2 sheltered houses, both in Parsons Green and a key workers property in Earls Court. I am grateful to Jo Taylor and Della Stewart for the many hours they have spent talking to our new residents and staff and getting to know them.

Last year we reported the regrettable but essential closure of Old House in Ewell. I am pleased to report that we were able to sell the property in the last few days of the financial year. This had been a difficult decision to close but following closure and the successful rehousing of all the residents, we still had to maintain and secure the property until sale, and I am grateful to Jo Taylor, Jeff Waters and Martin King for the time and effort put into keeping an eye on it and making it suitable for sale. Completion brought us a sigh of relief that this responsibility was over.

Abbeyfield England

As mentioned last year, there have been developments within the Abbeyfield movement which have significantly reduced their ability to support us or to provide the resources we need going forward. We have now come to the conclusion that membership no longer provides good value for money, and we gave them appropriate notice and will cease to be a Member Society as at 31st March 2025. This will open a new chapter for us and the need to change our name. We will be known as Southern Oaks from April 1st 2025.

Operational results

The financial results shown in the following pages are a remarkable tribute to the entire finance team despite all the turmoil of integrating a new financial system taking hundreds of hours as well as running the existing system, while also absorbing the new properties from AC&F. We show a modest operating surplus which is what we should expect from our assets. As a charity we have an obligation to our residents to get proper value for money in all we do, and Martin King and Mandy Coe have been zealous in driving out unnecessary costs and getting good value out of purchases. Our asset base has increased substantially with the 3 new properties and the funds from the sale of Old House, meaning we are able to cautiously put funds into sensible investments and on deposit for use in our future plans.

Looking forward to 2024/5

Operationally, we feel that we are in a good place and are pleased that a number of issues that had dogged us from the completion of Nonsuch Abbeyfield, including Covid and our contractors going into administration and liquidation are behind us. We are currently full in all properties, but the nature of our residents means that vacancies may occur at any time. We are grateful to the tireless efforts of Jo Taylor and House Managers in working to fill vacancies, despite her ill health during last year. We have a relatively stable group of staff who are very dedicated to looking after or supporting our residents. Of course, there are day to day issues but Martin King and Mandy Coe work to resolve these with a minimum of fuss.

The Board is lucky to have so many dedicated staff members and our thanks goes to all of them along with our many volunteers who give of their time organising garden parties, singalongs and craft days or just chatting to our residents and listening to them. Volunteers also include our new receptionists to add to our 2 employees, Mary and Bobbie. Bobbie Smith has also taken over the part time role of Volunteer Coordinator, tasked with finding a cohort of volunteers to support reception hours, provide some social activities for all our residents and drive the minibus. Bobbie has made a great start to a difficult but essential part of ASO.

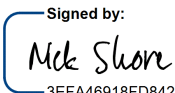
ABBNEYFIELD SOUTHERN OAKS

REPORT FROM THE CHAIR (CONTINUED) ***FOR THE YEAR ENDED 30 SEPTEMBER 2024***

I would also praise my Board of Trustees who have worked tirelessly to deal with current issues and formulate our strategy for the coming years at a difficult time for social housing. There is much that can be done and ASO must play its part. Having an enthusiastic and supportive Board makes a lot of difference, along with such a great crowd of staff. A very big thank you to you all.

As a Board we pledge to:

- Maintain a safe, secure and friendly atmosphere for all our residents and to help alleviate loneliness.
- Continue to maintain our supported houses while they still have a useful life and to enhance the facilities where we can
- Review our systems and operations to ensure we have the resources to carry out the above and consider future developments to support our overall objectives.

Signed by:

3EFA46918FD8425...
C N Shore

Chair – Abbeyfield Southern Oaks

Date: 21 March 2025 | 10:14 GMT

ABBNEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The Trustees present their annual report and audited financial statements of the Society for the year ended 30 September 2024. This should be read in conjunction with the Chair's report above.

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Statement of Recommended Practice Accounting for Registered Social Housing Providers 2018 (Housing SORP), the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

Our mission as a charity is to enhance the lives of older people within our local community through the offer of accommodation and support services in a welcoming and supportive environment.

Our objects as set out in our governing document are for the public benefit of the community the provision and management of housing, accommodation and assistance for the relief and care of older people suffering from the disabilities of old age or otherwise being in need in particular (but without limitation) by providing and maintaining (or assisting in providing and maintaining) houses and homes for such older people and providing (or assisting in providing) amenities or services for the benefit of such older people, and for other charitable purposes beneficial to the community.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The year in review

This was a year we saw the merger with Abbeyfield Chelsea and Fulham Society Limited (AC&F) by taking over the activities of that well run Society and, in the process, acquired 2 new supported houses and a key workers property, all in London. We are extremely grateful to Monica Sharp and her co Trustees who felt able to entrust all they had worked for over many years, to us to run initially and to use the assets as we saw fit in continuing to grow what we can offer. It was also the year the sheer cost of trying to maintain a Grade II listed building came to an end and we had to sell Old House. The cost of trying to upgrade the whole property to the standard we expect, including the fabric of the building became astronomic and it would have taken resources away from other properties to just maintain it. It was a sad but necessary decision. On a brighter note, we have continued full occupancy at Nonsuch and in all supported housing bar the one in Purley where more recently the occupation has climbed back towards full. There will always be higher turnover in our residents in the supported houses, as people's needs change as they get older and may move to care homes or leave for other reasons.

We have continued to review our marketing proposition and our new website which was launched during the previous year has seen much activity as well as constant updates. This helps showcase the quality of our offering in our supported houses and Nonsuch as well as giving the user an insight into the skills of our staff and the overall services we provide.

It is the aim of the Trustees to ensure that the total annual cost of the services provided to our residents in our rental accommodation is affordable to a wide range of individuals, especially those on state benefits. We also offer accommodation at our independent living development, Nonsuch Abbeyfield, on a long lease basis, and we have priced our accommodation and services to make available this style of living to those who are not able to afford similar offerings provided by the commercial 'for profit' market.

For the year our supported houses continued to benefit from a stable staff and support by a committed team of volunteers. We began the year with 10 vacancies of the total capacity of 39 units and ended the year with 4 vacancies (as of today, no vacancies) out of 37 units, having closed Old House (but being able to find suitable accommodation for all its occupants either within ASO or in local care homes) and taking on the 8 residents of the 2 supported homes from AC&F. The key workers property has remained full throughout our ownership period from February 2024.

During the year the Trustees continued to assess health and safety, and fire assessment matters for all supported houses to ensure that we continue to offer a safe environment for all our residents.

ABBNEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

The year in review (*continued*)

All our supported houses have facilities that continue to be up to standard.

Nonsuch Abbeyfield has also continued to operate effectively during the year, with the restaurant offering service throughout the year with regular events taking place, facilitated by the residents and with support from staff and volunteers.

Nonsuch Abbeyfield has remained full throughout the year with a waiting list of those interested in moving in. We have 36 leaseholder apartments and 24 tenanted apartments.

The challenge continues to be delivering the range of services at all our facilities that enhance the lives of all our residents.

The Board consider that they have had due regard to the Charity Commission's public benefit guidance in exercising its powers and duties during the period since its last report.

Overview of performance and financial position

The result for the year is a £5,559k surplus (2023: £55k deficit). This result includes the gift/donation from the merger with AC&F and the proceeds from the sale of Old House. The underlying operational performance is £259k surplus.

The Board continues to review operating contributions from across our portfolio to ensure each remains viable in the changing market conditions. The merger with AC&F during 2023/24 increased our operational capacity and the Trustees will continue to explore potential for further capacity and service growth going forwards. The performance of the newly acquired properties will be reviewed over a sensible time period including assessment of any significant expenditure required.

The Board closely monitors the operations of all our activities and works with our Finance Manager to ensure we are aware of issues which will impact the overall results by understanding variances from our detailed budgets and to agree appropriate action. Our new management information system is fully embedded, and our internal reporting is being expanded to support strategic decisions which the Board consider essential for our future.

The Society managed its working capital and cash flow to ensure that its financial commitments were met during the year. Our balance sheet continues to be strong with significant property assets and good cash reserves, bolstered this year by the merger with AC&F. We achieved growth of 15% on our combined charitable activity and other trading activity income, but we are having to work hard to manage our cost base to maintain these balances.

We have a clear understanding of our financial return and performance. We manage our finances to invest in the right assets, improve voids management, deliver savings through operational efficiency, and improve systems. We benchmark our services within and outside the Abbeyfield community and look for savings in procurement.

Employees

We have a small management and administration team that ensure smooth operation of the society. They are located at Nonsuch Abbeyfield and directly manage the local operation. In addition, we have a full-time permanent house manager at each of our five supported houses, who manage the house and residents' welfare. They are supported by a part time relief and domestic team.

The number of full-time equivalent employees ("FTEs") has increased compared to last year. Three new members of staff, 2 full time and 1 part time, joined ASO as a result of our merger with the Abbeyfield Chelsea and Fulham Society. During the year to 30th September 2024, the total number of FTE employees the Society had was 18.2 with 12 full time employees and 13 part time employees (2023: FTEs 14.6).

The Society shares information on its objectives, progress and activities through the regular office and team meetings involving Board members, volunteers, and staff.

The Society is committed to the principles of diversity and equality regardless of age, gender, ethnicity, race, disability, religion, gender re-assignment or sexual orientation. These principles are reflected in the Society's approach to the recruitment, development, and promotion of staff.

ABBNEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

Trustees and Volunteers

The Society could not function without the invaluable help of our Volunteers and Trustees who give so much time and effort to helping the Society progress and prosper. We estimate that the number of hours given to the Society for the year ended 30th September 2024 is 5,700. Many of them use their skills from their own working life and we cannot thank all our volunteers and Trustees enough for all they contribute to our Society.

Health & Safety

The Society is aware of its responsibilities on matters relating to health and safety. The Society has prepared detailed health and safety policies and provides training and education to our staff on health and safety matters.

There were no RIDDOR reportable Health and Safety incidents in the year ended 30th September 2024 (2023: Nil).

Reserves

The Board's policy is to retain such reserves as in the Board's judgment are adequate to cover for contingencies in meeting essential services. These include:

- Day-to-day expenditures, including a contingency for any large unforeseen items.
- Funding for development projects.
- Major repairs and renewals expenditures needed on the Society's operating properties.

In addition, designated reserves are maintained for Amenity Funds and the minibus to monitor specific bequests and donations. The Amenity Funds are formed of multiple various donations and used for activities and trips for our residents. The minibus reserve covers the operation of our minibus. The bequest received from Mrs Eveline Walker was used to purchase the minibus and continues to cover the operational costs.

After transfer of the surplus for the year of £5,559k (2022: deficit £55k), and other transfers at the year-end, income funds increased to £12,591k (2023: £7,031k). Restricted reserves are nil. (2023: £6.1k).

Treasury management

The Society's financial resources consist mainly of cash and bank deposits. We also have two separate investment portfolios which transferred to us from AC&F. The Society holds sufficient funds to meet day to day requirements. We have a small debt, as a Housing Association loan transferred to us from AC&F, for £55k. This is charged against our Chipstead Street property.

The Society invests surplus funds in interest-bearing deposit accounts.

In line with Government guidance, the Society's policy is to pay purchase invoices within 30 days of receipt, or earlier if agreed with the supplier.

Cash flow and liquidity and security

The statement of cash flows on page 16 of the financial statements shows that during the year the Society generated net cash inflow from operating activities of £912k (2023: £22k). Total net cash movement for the year was a cash inflow of £823k (2023: outflow £3,346k) primarily due to the merger with AC&F during the year.

Going concern

The board is satisfied that it has adequate resources to continue in operational existence for the foreseeable future and accordingly continues to adopt the going concern basis of accounting.

Risk Management

The Board continues to strengthen the risk management process, to ensure that it can adequately monitor and control all significant risks. The Board continually seeks to improve the risk management process, the Audit and Risk Assurance Committee has been reconstituted as Risk and Oversight Committee (ROC) and continues to provide ongoing regular oversight of these important areas.

The board maintain a risk map which ranks risk and identifies the actions to reduce these risks. These risks and actions are monitored by the Risk and Oversight Committee and the Board.

Value for Money

The Regulator for Social Housing (RSH) issued a new Value for Money Standard in April 2017. The Society recognises the importance of these Standards on its regulated housing provision. However, Supported Housing only represents part of the Society's revenue with the rest being made up of support services for our residents.

ABBNEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

The strategy for The Society is currently based on maintaining the performance of its existing properties, maintaining high occupancy rates, and exploring opportunities for growth which may necessitate the disposal of underperforming assets. To the extent this involves our houses, we will be very aware of the need to care for our existing residents and staff.

Operational effectiveness and VFM are managed by the Services Committee. Several trustees work together to direct and oversee the Society's financial management and the development of enhanced management information along with a range of operational matters that eventually are referred to the Board.

Value for Money Metrics

The Regulator of Social Housing requires the Society to publish performance metrics against its own Value for Money targets. These measure economy, efficiency and effectiveness of all similar operations.

There are 7 metrics covered by this technical note. The society did not set specific targets at the beginning of the financial year.

Metric 1 – Reinvestment %

The Reinvestment metric looks at the investment in properties (Existing stock and New Supply) as a percentage of the value of total properties held.

The Society metric for reinvestment is 1.1%

Metric 2 – New Supply Delivered %

The New Supply metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.

No new supply was delivered in the year for social housing units.

No new supply was delivered in the year for non-social housing units.

Metric 3 – Gearing %

The gearing metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance.

The gearing for the Society is negative at -31.6%

Metric 4 - Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %

The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity.

The EBITDA MRI interest cover for the Society is 8,369%.

Metric 5 - Headline social housing cost per unit

The Headline social housing cost per unit metric assesses the headline social housing cost per unit as defined by the regulator.

The headline social housing cost per unit for the Society is £17,011.

Metric 6 - Operating Margin %

The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account.

The Society's operating margin on social housing lettings only is 1.95%.

The Society's overall operating margin is 11.62%.

ABBNEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

Metric 7 - Return on capital employed (ROCE) %

The ROCE compares the operating surplus to total assets less current liabilities.

The Society's ROCE is 38.7%.

Structure, governance and management

Abbeyfield Southern Oaks was established on 6th September 1962 under a Memorandum and Articles of Association which set out its objects, powers, and governance arrangements.

The Society is a registered charity in England & Wales (No. 247308), a registered housing association with the Regulator of Social Housing (No. H1185), and a company limited by guarantee which does not have a share capital (No. 00734705). Every member of the Society undertakes to contribute an amount not exceeding £1 to the assets of the Society in the event of winding up. The total number of such members at 30th September 2024 was 48 (2023: 48). However, following a meeting of Members on 12th November 2024 and following legal advice, a new Articles of Association was adopted by unanimous vote to change the definition of Member to solely current Members of the Board of Trustees. Following the change of Articles, there is no need for an AGM and approval by the Board of these accounts is sufficient.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

A F Carrington	
S L Eagle	(Resigned 10 March 2025)
D K L Horne	
Dr A M Hoy	
N C L Macdonald	(Resigned 12 November 2024)
L Maggs	(Resigned 10 November 2023)
J W Mann	
Y McCabe	(Appointed 22 November 2023)
A Mehmet	(Appointed 21 November 2023)
S J Moore	
A S Parsons	
C N Shore	
Dr M W Wakerley	
G A J Walker	(Resigned 12 November 2024)

We recruit trustees using a range of methods including, but not limited to, advertising online, from our existing trustees and volunteers' network, and using specialist trustee recruitment agencies. New trustees are inducted into the Society by the Chair and their predecessor, where possible.

The Board recognises the importance of good governance and, in view of the increase in its operational size this year, has reviewed its governance arrangements to reset them for the next phase of the Society's development. The Board's review was conducted with reference to the 3rd edition of The Charity Governance Code (for larger charities) published in July 2017, with the support and endorsement of the Charities Commission, and The Governance and Financial Viability Code of Practice, published by the Homes and Communities Agency in April 2015. As noted elsewhere, we are delighted to have been joined this year by a number of new Trustees, each bringing directly relevant experience and skill appropriate to different areas of our activities.

The Board considers that the charity is compliant with the Governance and Financial Viability Standard and there have been no instances of non-compliance in the year.

The Code of Governance adopted by the Charity is The Charity Code of Governance.

The Board is satisfied that its governance arrangements are currently compliant with the principles of the Charity Commission's Guidelines.

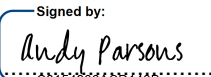
ABBNEYFIELD SOUTHERN OAKS

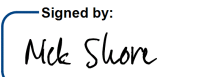
TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees report was approved by the Board of Trustees.

Signed by:

C8154906ACD143B.....
A S Parsons
Trustee

Signed by:

3EFA46918FD84Z5.....
C N Shore
Trustee

24 March 2025 | 08:53 GMT
Date:

ABBNEYFIELD SOUTHERN OAKS

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The Trustees, who are also the directors of Abbeyfield Southern Oaks for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Housing SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ABBEYFIELD SOUTHERN OAKS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS

Opinion

We have audited the financial statements of Abbeyfield Southern Oaks (the 'charity') for the year ended 30 September 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ABBEYFIELD SOUTHERN OAKS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We have gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures at charity levels to respond to the risk, recognising that risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, Charities Act 2011, taxation legislation, financial authority regulation, data protection, anti-bribery and health and safety legislation.

ABBEYFIELD SOUTHERN OAKS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included inquiries of management their own identification and assessment of the risks of irregularities, comparing total expected income to actual on a proof in total basis, risk-based sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

Daniel Wesolowski

24D3CC597F31422...

Daniel Wesolowski (Senior Statutory Auditor)

for and on behalf of FLB Audit LLP

Statutory Auditor

1010 Eskdale Road

Winnersh Triangle

Wokingham

Berkshire

RG41 5TS

24 March 2025 | 09:11 GMT

.....

ABBNEYFIELD SOUTHERN OAKS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	4,931,188	-	4,931,188	61,811	-	61,811
Charitable activities	4	1,939,038	-	1,939,038	1,673,285	-	1,673,285
Other trading activities	5	30,953	-	30,953	31,088	-	31,088
Investments	6	77,415	-	77,415	53,010	-	53,010
Other income	7	557,854	-	557,854	17,585	-	17,585
Total income		7,536,448	-	7,536,448	1,836,779	-	1,836,779
<u>Expenditure on:</u>							
Raising funds	8	2,337	-	2,337	-	-	-
Charitable activities	9	2,025,085	6,142	2,031,227	1,914,658	-	1,914,658
Other	12	18,422	-	18,422	(22,999)	-	(22,999)
Total expenditure		2,045,844	6,142	2,051,986	1,891,659	-	1,891,659
Net gains/(losses) on investments	17	74,983	-	74,983	-	-	-
Net movement in funds		5,565,587	(6,142)	5,559,445	(54,880)	-	(54,880)
Fund balances at 1 October 2023		7,025,079	6,142	7,031,221	7,079,959	6,142	7,086,101
Fund balances at 30 September 2024		12,590,666	-	12,590,666	7,025,079	6,142	7,031,221

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

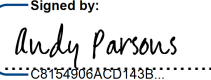
ABBEYFIELD SOUTHERN OAKS

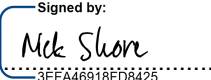
BALANCE SHEET

AS AT 30 SEPTEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	20	9,738,928		7,460,481	
Investments	21	1,309,793		-	
		11,048,721		7,460,481	
Current assets					
Stocks	23	9,164		9,009	
Debtors	24	1,264,073		67,985	
Cash at bank and in hand		2,735,298		1,917,125	
		4,008,535		1,994,119	
Creditors: amounts falling due within one year	25	(690,429)		(518,595)	
Net current assets		3,318,106		1,475,524	
Total assets less current liabilities		14,366,827		8,936,005	
Creditors: amounts falling due after more than one year	26	(1,776,161)		(1,904,784)	
Net assets		12,590,666		7,031,221	
Income funds					
Restricted funds	29	-		6,142	
<u>Unrestricted funds</u>					
Designated funds	30	690,173		642,292	
General unrestricted funds		11,040,034		5,522,329	
Revaluation reserve		860,459		860,458	
		12,590,666		7,025,079	
		12,590,666		7,031,221	

The financial statements were approved by the Trustees on 24 March 2025 | 08:53 GMT

Signed by:

A S Parsons
Trustee

Signed by:

C N Shore
Trustee

Company registration number 00734705

ABBNEYFIELD SOUTHERN OAKS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	32		911,733		22,296
Investing activities					
Purchase of tangible fixed assets		(137,231)		(268,439)	
Purchase of investments		(11,951)		-	
Proceeds from disposal of investments		7,735		-	
Investment income received		52,415		53,010	
Net cash used in investing activities			(89,032)		(215,429)
Financing activities					
Repayment of bank loans		-		(3,153,248)	
Net cash used in financing activities			-		(3,153,248)
Net increase/(decrease) in cash and cash equivalents			822,701		(3,346,381)
Cash and cash equivalents at beginning of year			1,917,125		5,263,506
Cash and cash equivalents at end of year			2,739,826		1,917,125
Relating to:					
Cash at bank and in hand			2,735,298		1,917,125
Cash held within listed investments managed fund			4,528		-

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

Charity information

Abbeyfield Southern Oaks is a registered charity in England and Wales (No. 247308), a registered housing association with the Regulator of Social Housing (No. H1185) and a private company limited by guarantee (No. 00734705) which does not have a share capital. Every member of the Society undertakes to contribute an amount not exceeding £1 to the assets of the Society in the event of winding up.

The registered office address is: Nonsuch Abbeyfield Old Schools Lane, Ewell, Epsom, Surrey, KT17 1FL.

The Society is engaged in social housing activities as defined in the Housing and Regeneration Act 2008.

The Society is associated by name and objects with, and is an associated member of, The Abbeyfield Society, which provides guidance, co-ordination, initiative, development and representation to independent Abbeyfield Societies throughout the United Kingdom.

Since its formation, the objects of the Society have been to carry on for the benefit of the community the provision and management of housing for letting for the support and care of older people of all classes exposed to the disabilities of old age, or otherwise being in need.

The Society operates eight Abbeyfield houses at 2 Purley Knoll, Purley, Surrey CR8 3AE, 82 York Road, Cheam, Surrey SM2 6HJ, 82 Mulgrave Road, Sutton, Surrey SM2 6LZ, Nonsuch Old Schools Lane, Ewell, Surrey KT17 1FL, Ewell Playing Fields, Old School Lane, Ewell Surrey, Kt17, 1FL, 9 Coniger Road, Fulham, 23 Chipstead Street and 8 Penywern Road, London, SW5 9ST.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Statement of Recommended Practice Accounting for Registered Social Housing Providers 2018 (Housing SORP), the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

SORP Departure

The Society has departed from the Housing SORP by opting to produce a Statement of Financial Activities under the Charities SORP because it judged this treatment more appropriate in presenting detailed information to the members. As a result, the Statement of Comprehensive Income required under the Housing SORP has been omitted. It is considered that the equivalent information can be obtained from the Statement of Financial Activities included.

The Statement of Changes in Reserves required under the Housing SORP has also been omitted, however this information is presented in notes 29, 30 & 31 of the financial statements.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Where income is received in advance of meeting any performance related conditions and there is not unconditional entitlement to the income, its recognition is deferred and included in creditors as deferred income until the performance conditions are met.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Gain on transfer of assets and liabilities is recognised at the fair value at which the assets and liabilities are transferred.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income consists of rents from residents of supported houses and independent living and fundraising.

Interest income is recognised using the effective interest rate method.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Housing land and buildings are stated at cost less accumulated depreciation. Housing land and buildings purchased prior to the transition to FRS 102 are held at deemed cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Straight line over 5 to 50 years
Fixtures, fittings and equipment	Straight line over 5 to 25 years
Motor vehicles	Straight line over 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Freehold land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, of if there is an indication of a significant change since the last reporting date.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential. At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense in the period in which payment is made.

1.13 Government Grants - Social Housing Grants

The Society is in receipt of Social Housing Grants, formerly called Housing Association Grants (HAG). Where developments have been wholly or partially funded by such grants, the grant is recognised as income over the useful life of the property which is funded in accordance with the accruals model.

These grants may be repayable in the event that the relevant property is sold, or the Society ceases to use it for social housing, or if certain other relevant events take place, but can be rolled over into other purchase or development activities in certain circumstances.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Useful economic lives

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. These are amended where necessary to reflect current estimates, based on economic utilisation and physical condition of the assets.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Donations and gifts	148,358	21,942
Government grants receivable	39,869	39,869
Gain on transfer of assets and liabilities	4,742,961	-
	<u>4,931,188</u>	<u>61,811</u>

Government grants receivable represents the amount released under the accruals model in respect of Housing Association grants received for the development and provision of social housing.

4 Income from charitable activities

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Charitable activities		
Income receivable from letting of units	<u>1,939,038</u>	<u>1,673,285</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

5 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	30,953	31,088

6 Investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Lease premium income	25,000	25,000
Income from listed investments	5,135	-
Interest receivable	47,280	28,010
	77,415	53,010

7 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Net gain on disposal of tangible fixed assets	556,589	-
Other income	1,265	17,585
	557,854	17,585

8 Raising funds

	Unrestricted funds 2024 £	Total 2023 £
Other fundraising costs	161	-
Investment management	2,176	-
	2,337	-

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

9 Charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Staff costs	402,344	493,872
Depreciation and impairment	336,377	366,314
Food and household	228,332	125,226
Repairs and redecoration	80,401	62,505
Rates and utilities	179,717	202,445
Insurance	23,833	23,778
Telephone	6,702	23,066
Catering costs	295,206	281,232
Sundries	14,893	26,669
Affiliation fees	22,292	20,060
	<u>1,590,097</u>	<u>1,625,167</u>
Share of support costs (see note 10)	407,233	264,066
Share of governance costs (see note 10)	33,897	25,425
	<u>2,031,227</u>	<u>1,914,658</u>
Analysis by fund		
Unrestricted funds	2,025,085	1,914,658
Restricted funds	6,142	-
	<u>2,031,227</u>	<u>1,914,658</u>

All costs have been allocated to the charity's single activity: letting of units.

10 Support costs

	Support costs £	Governance costs £	2024 £	Support costs £	Governance costs £	2023 £
Staff costs	296,380	-	296,380	117,734	-	117,734
Miscellaneous expenses	34,958	-	34,958	16,668	-	16,668
Office expenses	62,618	-	62,618	64,896	-	64,896
Legal and professional fees	13,277	-	13,277	64,768	-	64,768
Audit fees	-	24,400	24,400	-	22,952	22,952
Miscellaneous	-	9,497	9,497	-	2,473	2,473
	<u>407,233</u>	<u>33,897</u>	<u>441,130</u>	<u>264,066</u>	<u>25,425</u>	<u>289,491</u>
Analysed between						
Charitable activities	<u>407,233</u>	<u>33,897</u>	<u>441,130</u>	<u>264,066</u>	<u>25,425</u>	<u>289,491</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

11 Net movement in funds

2024
£ **2023**
£

The net movement in funds is stated after charging/(crediting):

Fees payable for the audit of the charity's financial statements	24,400	22,952
Depreciation of owned tangible fixed assets	336,377	366,313
Profit on disposal of tangible fixed assets	(556,589)	-
	<u> </u>	<u> </u>

12 Other

	Unrestricted funds 2024	Unrestricted funds 2023
Loan interest	-	7,054
Other expenditure	18,422	(30,053)
	<u> </u>	<u> </u>
	<u>18,422</u>	<u>(22,999)</u>

13 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2023: Nil)

14 Auditor's remuneration

Fees payable to the charity's auditor and associates:	2024 £	2023 £
Audit of the charity's annual accounts	<u>24,400</u>	<u>19,500</u>
Non-audit services		
All other non-audit services	<u>2,500</u>	<u>2,500</u>

15 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Office	10	8
Social housing staff	11	12
	<u> </u>	<u> </u>
Total	<u>21</u>	<u>20</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

15 Employees (Continued)

Employment costs	2024 £	2023 £
Wages and salaries	631,498	560,166
Social security costs	57,147	43,012
Other pension costs	10,079	8,428
	<u>698,724</u>	<u>611,606</u>

The total remuneration (including pension contributions) for key management personnel amounted to £193,648 (2023: £176,552).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£80,001 to £90,000	-	2
£90,001 to £100,000	2	-
	<u>2</u>	<u>2</u>

16 Retirement benefit schemes

Defined contribution schemes	2024 £	2023 £
Charge to profit or loss in respect of defined contribution schemes	<u>10,079</u>	<u>4,821</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

17 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	<u>74,983</u>	<u>-</u>

18 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

19 Gain on transfer of asset and liabilities

On 30 January 2024 the charity acquired the assets and liabilities of Abbeyfield Chelsea & Fulham Society Limited, the assets and liabilities of the acquired business were recognised at fair value.

	Book Value £	Adjustments £	Fair Value £
Tangible fixed assets	425,759	2,641,750	3,067,509
Fixed asset investments	1,231,851	-	1,231,851
Cash at bank and in hand	537,769	-	537,769
Creditors: Amounts falling due within one year	(38,540)	-	(38,540)
Creditors: Amounts falling due after more than one year	(55,628)	-	(55,628)
Total identifiable net assets	2,101,211	2,641,750	4,742,961

20 Tangible fixed assets

	Freehold land and buildings £	Assets under construction £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 October 2023	7,251,848	63,795	1,426,342	14,880	8,756,865
Additions	3,068,000	17,279	120,158	-	3,205,437
Disposals	(638,000)	-	(76,483)	-	(714,483)
At 30 September 2024	9,681,848	81,074	1,470,017	14,880	11,247,819
Depreciation and impairment					
At 1 October 2023	1,011,953	-	275,503	8,928	1,296,384
Depreciation charged in the year	261,936	-	71,465	2,976	336,377
Eliminated in respect of disposals	(73,920)	-	(49,950)	-	(123,870)
At 30 September 2024	1,199,969	-	297,018	11,904	1,508,891
Carrying amount					
At 30 September 2024	8,481,879	81,074	1,172,999	2,976	9,738,928
At 30 September 2023	6,239,895	63,795	1,150,839	5,952	7,460,481

The valuation of freehold operating properties shown above of £9,681,848 (2023: £7,251,848) includes £1,909,444 (2023: £1,405,844) attributed to the land element of the properties as estimated by the Trustees.

The freehold operating properties brought forward are in line with trustees estimates of value on an ongoing basis of current use.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

21 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 October 2023	-
Additions on transfer	1,226,066
Additions	11,951
Disposals	(7,735)
Valuation changes	74,983
At 30 September 2024	1,305,265
Cash held within managed fund	4,528
Carrying amount	
At 30 September 2024	1,309,793
At 30 September 2023	-

22 Financial instruments

	2024 £	2023 £
Carrying amount of financial assets		
Measured at amortised cost	1,222,254	31,166
Instruments measured at fair value through profit or loss	1,305,265	-
Carrying amount of financial liabilities		
Measured at amortised cost	2,350,489	2,285,159

23 Stocks

	2024 £	2023 £
Restaurant and shop stock	9,164	9,009

24 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	6,271	21,083
Other debtors	1,215,983	10,083
Prepayments and accrued income	41,819	36,819
	1,264,073	67,985

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

25 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Other taxation and social security		16,151	13,270
Deferred income	27	59,280	164,819
Trade creditors		122,182	75,979
Other creditors		288,084	10,338
Accruals		204,732	254,189
		<u>690,429</u>	<u>518,595</u>

Included within other creditors is £278,795 (2023: £nil) in respect of a Housing Association grant which has become repayable in full on sale of the property to which it relates.

26 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Borrowings		55,628	-
Deferred income	27	1,440,193	1,624,444
Other creditors		280,340	280,340
		<u>1,776,161</u>	<u>1,904,784</u>

27 Deferred income

	2024 £	2023 £
Arising from government grants	1,399,523	1,664,313
Other deferred income	99,950	124,950
	<u>1,499,473</u>	<u>1,789,263</u>

Deferred government grants represent the balance of Housing Association grants being released over the useful life in line with the asset to which they relate.

These grants may be repayable in the event that the relevant property is sold, or the Society ceases to use it for social housing, or if certain other relevant events take place, but can be rolled over into other purchases or development activities in certain circumstances. The total value of the grants awarded to the charity is £1,993,441 (2023: £1,993,441).

Deferred income is included in the financial statements as follows:

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

27 Deferred income

(Continued)

	2024	2023
	£	£
Deferred income is included within:		
Current liabilities	59,280	164,819
Non-current liabilities	1,440,193	1,624,444
	<u>1,499,473</u>	<u>1,789,263</u>
Movements in the year:		
Deferred income at 1 October	1,789,263	1,854,133
Released from previous periods	(64,869)	(64,870)
Reclassification of grant liability on sale of property	<u>(224,921)</u>	<u></u>
Deferred income at 30 September	<u>1,499,473</u>	<u>1,789,263</u>

28 Loans and overdrafts

	2024	2023
	£	£
Other loans	<u>55,628</u>	<u>-</u>
Payable after one year	<u>55,628</u>	<u>-</u>

The loan from the Housing Association is secured on certain of the society's Freehold Housing Properties included at cost £177,312 (2023: £177,312). The loan is not repayable unless the Freehold Property is sold. The interest on the Housing Association loan has been charged at the commencement of the loan and is included in the amount of the loan. The loan received is repayable on the sale of the Freehold Housing Property included at cost of £177,312 (2023: £177,312).

29 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 October 2023	Resources expended	At 30 September 2024
	£	£	£
The Old House Legacy	<u>6,142</u>	<u>(6,142)</u>	<u>-</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

29 Restricted funds

(Continued)

Previous year:	At 1 October 2022	Resources expended	At 30 September 2023
	£	£	£
The Old House Legacy	6,142	-	6,142

The ongoing Restricted Fund is the balance of a legacy left to the Society for the express use of The Old House in Ewell.

30 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 October 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 30 September 2024
	£	£	£	£	£	£
Designated funds						
Amenity Funds	28,194	904	(4,926)	-	-	24,172
Major Repair Reserves	547,598	56,923	-	-	-	604,521
Resident Transport Reserve	66,500	-	(5,020)	-	-	61,480
Total Designated fund	642,292	57,827	(9,946)	-	-	690,173
General funds	5,522,329	7,478,621	(2,035,898)	-	74,983	11,040,035
Revaluation reserve	860,458	-	-	-	-	860,458
	<u>7,025,079</u>	<u>7,536,448</u>	<u>(2,045,844)</u>	<u>-</u>	<u>74,983</u>	<u>12,590,666</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

30 Unrestricted funds (Continued)

Previous year:	At 1 October 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 30 September 2023
	£	£	£	£	£	£
Designated funds						
Amenity Funds	33,938	3,527	(9,271)	-	-	28,194
Major Repair Reserves	490,675	56,923	-	-	-	547,598
Resident Transport Reserve	72,489	358	(6,347)	-	-	66,500
Total Designated fund	597,102	60,808	(15,618)	-	-	642,292
General funds	5,622,399	1,775,971	(1,876,041)	-	-	5,522,329
Revaluation reserve	860,458	-	-	-	-	860,458
	<u>7,079,959</u>	<u>1,836,779</u>	<u>(1,891,659)</u>	<u>-</u>	<u>-</u>	<u>7,025,079</u>

Amenity Funds

These funds have been designated to provide additional amenities and entertainment to residents outside of core activities.

Major Repairing Reserve

It is the Trustees' opinion that funds will be required for future cyclical and major repairs in the medium and long term for their existing properties. Amounts previously set aside for this purpose have been carried forward as designated reserves. Amounts similar to those provided in previous years will continue to be set aside as reserves in future years.

The amounts so set aside are based on the Society's obligation to carry out such works on a continuing basis for the future maintenance of its properties, based on planned programmes of work for which grants will not be available.

Resident Transport Reserve

These funds from the bequest from Mrs Eveline Walker have been set aside with the purpose to provide transport for the residents of Abbeyfield Southern Oaks.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

31 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Fund balances at 30 September 2024 are represented by:			
Tangible assets	9,738,928	-	9,738,928
Investments	1,309,793	-	1,309,793
Current assets/(liabilities)	3,311,964	6,142	3,318,106
Long term liabilities	(1,776,161)	-	(1,776,161)
	<u>12,584,524</u>	<u>6,142</u>	<u>12,590,666</u>

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 30 September 2023 are represented by:			
Tangible assets	7,460,481	-	7,460,481
Current assets/(liabilities)	1,469,382	6,142	1,475,524
Long term liabilities	(1,904,784)	-	(1,904,784)
	<u>7,025,079</u>	<u>6,142</u>	<u>7,031,221</u>

32 Cash generated from operations

	2024 £	2023 £
Surplus/(deficit) for the year	5,559,445	(54,880)
Adjustments for:		
Investment income recognised in statement of financial activities	(77,415)	(53,010)
Gain on disposal of tangible fixed assets	(556,589)	-
Non cash gain on transfer of assets and liabilities	(4,199,407)	-
Grant income receivable	(39,869)	(39,869)
Fair value gains and losses on investments	(74,983)	-
Depreciation and impairment of tangible fixed assets	336,377	366,314
Movements in working capital:		
(Increase) in stocks	(155)	(673)
Decrease/(increase) in debtors	3,912	(40,789)
Increase/(decrease) in creditors	250,207	(129,796)
(Decrease) in deferred income	(289,790)	(25,002)
Cash generated from operations	<u>911,733</u>	<u>22,295</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

33 Analysis of changes in net funds

	At 1 October 2023 £	Cash flows £	Other non-cash changes £	At 30 September 2024 £
Cash at bank and in hand	1,917,125	818,173	-	2,735,298
Loans falling due after more than one year	-	-	(55,628)	(55,628)
	<u>1,917,125</u>	<u>818,173</u>	<u>(55,628)</u>	<u>2,679,670</u>

34 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

35 Social Housing Stock

The number of bed spaces excluding staff & guest rooms available as Social Housing Accommodation for the year was 73 (2023: 63).

All properties are owned and managed by the Society.

36 Contingencies

Under the terms of the Section 106 planning agreement entered into between the Society and Epsom and Ewell Borough Council the Society has committed to fund the construction of a sports pavilion at Old Schools Lane prior to 2nd January 2028. Provided that Epsom Sports Club can meet its financial obligations under the lease, the Society has an agreement to lease the pavilion to the sports club on a term that is coterminous with the lease of the playing fields.

ABBNEYFIELD SOUTHERN OAKS**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 30 SEPTEMBER 2024**37 Surplus/(deficit) in respect of social housing activities**

	2024	2023
	£	£
Income		
Rent receivable excluding service charges	620,867	292,464
Service charges	607,281	590,487
Government grants receivable	39,869	24,688
Other income in relation to the provision of services to residents in social housing	181,530	267,100
	1,449,547	1,174,739
Operating expenditure		
Affiliation fees	(14,169)	(12,967)
Housekeeping & catering	(271,866)	(204,702)
Depreciation	(270,448)	(230,325)
Insurance	(16,571)	(15,576)
Rates & utilities	(133,106)	(122,556)
Repairs & decorations	(55,137)	(48,715)
Staff costs	(539,161)	(451,433)
Sundries	(17,643)	(20,631)
Telephone	(6,702)	(11,576)
Office expenses	(31,760)	(40,338)
Loan interest	-	(4,436)
Audit fee	(16,836)	(9,030)
Legal & professional	(47,854)	(40,730)
	(1,421,253)	(1,213,015)
Surplus/(deficit) for the year in respect of social housing activities	28,294	(38,276)
<i>Void losses (being rental income lost as a result of property not being let, although it is available for letting)</i>	<i>(73,394)</i>	<i>(200,737)</i>

Accounts

Charity registration number 247308

Company registration number 00734705 (England and Wales)

ABBNEYFIELD SOUTHERN OAKS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

ABBNEYFIELD SOUTHERN OAKS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A F Carrington S L Eagle D K L Horne Dr A M Hoy N C L Macdonald J W Mann Y McCabe (Appointed 22 November 2023) A Mehmet (Appointed 21 November 2023) S J Moore A S Parsons (Appointed 12 December 2022) C N Shore Dr M W Wakerley G A J Walker
Charity number	247308
Company number	00734705
Regulator of Social Housing number	H1185
Registered office	Nonsuch Abbeyfield Old Schools Lane Ewell Epsom Surrey KT17 1FL
Auditor	FLB Audit LLP 1010 Eskdale Road Winnersh Triangle Wokingham Berkshire RG41 5TS

ABBNEYFIELD SOUTHERN OAKS

CONTENTS

	Page
Chairman's statement	1 - 3
Trustees report	4 - 10
Independent auditor's report	11 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 32

ABBNEYFIELD SOUTHERN OAKS

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Introduction

Following on from last year's report, this year has been very much a year of consolidation with a major effort to reach a much more stable 'Business-as-Usual' state following the devastation of Covid and the serious consequential disruption this caused for residents, occupancy and management. Huge credit is due to Nick Shore who has been a Trustee since 2015 and more recently took responsibility for chairing our Services Committee (which has primary responsibility to deliver all services to our residents and staff), for leading the work needed to achieve that consolidation and stabilisation initiative. We are pleased to report that quite exceptional progress towards that goal has been delivered, such that we have both felt able to stand down from our role as joint interim Chairs, with effect from October 2023, passing the mantle on to Nick. At his request we have both agreed to continue as Trustees for the time being with specific responsibilities for our strategy and future development.

A farewell to three Trustees

We were sorry to say farewell to two long standing Trustees. Margaret Angus has been our Society Secretary for a number of years and done an excellent job of keeping us fully up to date with regulatory filings and organising our Board and a huge amount of input on a number of areas. Margaret has suffered some ill health in the last year and has decided to stand down. However, she will continue to provide significant input at Services as a valued member with a lot of history. Lyn Maggs, who like Margaret has been a Trustee for a significant period has also suffered ill health and asked to stand down as a Trustee. We are hugely grateful to them both for all they have contributed in different ways to the growth of ASO and hope they will remain within the ASO family and continue to provide relevant advice from time to time.

We fully understood, but much regretted, the decision of Julie Macdonald to move back to support her family in New Zealand and consequentially to stand down as a Trustee last year. We are very grateful however for her enormous continuing support to our Finance Team as we install a new, and a much better accounting system for our business model. Julie has driven a lot of the work needed and we are indebted to her ensuring that the crucial continuity had been provided at a time when she has also needed to respond to significant other calls on her time from her far-flung family.

Renewal of our Trustee Board and its Services Committee

We have continued to professionalise and further strengthen our Board. Both our Executive team, led by Martin King as our Director of Business and Operations supported by Mandy Coe as our Finance Manager, and also our Trustees have taken on a number of new and challenging responsibilities. We have recently recruited 2 new Trustees - Adam Mehmet who will work alongside John Mann in looking after our properties, and Yvonne McCabe who has joined as Society Secretary. We welcome them both and they have excellent professional experience to help guide the Society forward with the ambitious plans we have. We are really pleased with how quickly all have gelled together with a common goal of ensuring our properties are up to a lettable standard and that we are providing good support to staff and residents.

Operating in difficult times

We have been able to fill our new 60-unit independent living facility at Nonsuch Abbeyfield in Ewell and we have a waiting list of people interested in moving in. Our numbers in the Sheltered Houses have climbed steadily post covid with an excellent job being done by our Community Manager Jo Taylor and the various house staff, despite residents needing to leave us for care, or those who have sadly died.

We have always tried to ensure the safety of our residents with frequent reviews of fire risks and health and safety issues. Recent assessments have suggested that we needed to do even more. The sheer cost of some of this however has become prohibitive, and as a direct result we recently took the very sad decision to close our house in Ewell, long known as Old House.

ABBNEYFIELD SOUTHERN OAKS

CHAIRMAN'S STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Operating in difficult times (continued)

Old House is a Grade II listed building which has been modified over many years from a comfortable residence for a wealthy family to the current status as a sheltered house for up to 11 residents. Because it is a listed building each modification has to be agreed with the local Planning Department and we have to use increasingly costly materials which are often in short supply. We also have to use craftsmen skilled in such work. The extent of work that would be required to address the enhanced requirements of fire and safety issues at Old House made it clear to us that it was no longer practical or economic to plough further substantial funds into the property. Whilst it was sad to realise that we would have to close the house, it was thus a great relief for us to be able to accommodate quickly all the residents, either in our other properties or to find suitable care facilities for those that needed it.

New legislation and regulations have thus significantly increased the need to constantly evaluate our houses and we see this as likely to increase the requirements for further changes and upgrades as time goes on. John Mann and Adam Mehmet are ideally placed, because of the skills and experience they each possess, to help us constantly monitor each of our properties and ensure they are of a good standard for our residents.

Significant Events in 2022/23

We are delighted that since the last year end, we have been able to pay off the last of the considerable loans we took out to build Nonsuch Abbeyfield, undoubtedly a remarkable achievement in so short, and at a difficult, time.

The Abbeyfield Society

For any years the Abbeyfield movement here and overseas has been led by The Abbeyfield Society (TAS). However, in recent years its attention has been increasing directed to managing a substantial group of supportive houses which it took over from local societies that felt unable to continue with their governance responsibilities, and handling the increasingly challenging and complex regulatory issues connected with having taken on that demanding role.

In the last year there have been significant changes to the structure of TAS and the way it operates which have also involved ongoing discussions with member societies as to how the movement should best respond to support the needs and aims of individual societies. However, the way TAS has been restructured has left little resources for the development of important areas like marketing, financial support or to maintain sufficient staff to act as keepers and disseminators of valuable information for Member Societies, and thus to help the movement maintain the standards on which its reputation and standing depends. Naturally this has become a source of growing concern for us and we will continue to monitor developments carefully.

Staffing

We have continued to recruit new staff to support our range of operations and with our plans for the immediate and longer term. We now have two part time receptionists (Mary Sponder and Bobbie Smith) at Nonsuch, a new Volunteer Coordinator/Office Manager (Georgina Parker) and have been able to promote staff to take on further responsibilities, particularly Della Stewart who has taken on the role of Senior House Manager. We are planning to recruit further staff for Finance who have done a brilliant job this year coping with installing a new accounting system as well as continuing to run the existing one to year end. A huge thanks however to all our staff who have coped with a lot of responsibilities and proved very professional in all they do.

The Minibus

The Minibus has been used frequently in this year, but we are still suffering from a lack of volunteer drivers. The minibus was acquired as a result of the generous donation from the estate of Eveline Walker, a former Trustee of a predecessor Society. Thanks to the hard work of long-standing Trustee Malcolm Wakerley, it is kept in good working order, but we need to build up a stronger rota of volunteer drivers to manage regular trips to places such as vineyards, local theatres and cinemas, and shopping and garden centres.

ABBNEYFIELD SOUTHERN OAKS

CHAIRMAN'S STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Looking forward to 2023/24

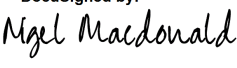
We have ambitious and we believe exciting plans for the future, and the major item is that we completed a merger with Abbeyfield Chelsea and Fulham effective 31 January 2024. We welcome the staff and residents of the 3 properties to the ASO family. We are very grateful to the Trustees of AC&F who entrusted their assets to ASO. We also plan to sell our Grade 2 listed building, Old House in Ewell at some point in this year. However, in the meantime, we will continue to:

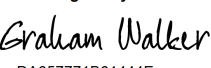
- Maintain a safe, secure and friendly environment for all our residents
- Continue to build the occupancy in our supported houses
- Continue to review and embed efficient and effective systems and processes relevant to the expanded operation that is now ASO
- Develop the community aspects within our houses in order to provide an enhanced experience for our residents
- Continue to review the way we operate, seeking further opportunities to deliver even better value for money
- Explore new business relationships and opportunities which will enable ASO to grow and adapt for the future

Some special words of thanks

We cannot complete this report without paying tribute to the huge amount of work that Martin King and Mandy Coe, as the Director of Business and Operations and Finance Manager respectively, have put into our whole operation under the most trying of circumstances. They have worked tirelessly and effectively, and we want to put on record our appreciation of all they have done. They have been greatly supported by the whole team, not least by Jo Taylor our Community Manager, despite her own health issues this year and Jeff Waters our Maintenance Manager. We mentioned in our introduction our gratitude for the outstanding work that has been done by Nick Shore, chairing our Services Committee with its central role in guiding the whole operation of the Society, and we join with all Trustees in being delighted and grateful that he is willing to continue in that role as well as taking on the overall Chairmanship.

This continues to be a challenging and exciting time for our Society. If you would like to join us as a Volunteer, as a Trustee or as a Resident, Nick and or any Trustee (including both of us) would love to hear from you.

DocuSigned by:

 A5F86121B983424...
 Nigel Macdonald

DocuSigned by:

 DA657771B61444E...
 Graham Walker

Joint Chairs – Abbeyfield Southern Oaks, February 2022 to 30 September 2023

28/27/2024 | 11:50 PM GMT
 Date:

ABBNEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Trustees present their annual report and audited financial statements of the Society for the year ended 30 September 2023. This should be read in conjunction with the Co-Chair's report above.

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Statement of Recommended Practice Accounting for Registered Social Housing Providers 2018 (Housing SORP), the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

Our mission as a charity is to enhance the lives of older people within our local community through the offer of accommodation and support services in a welcoming and supportive environment.

Our objects as set out in our governing document are for the public benefit of the community the provision and management of housing, accommodation and assistance for the relief and care of older people suffering from the disabilities of old age or otherwise being in need in particular (but without limitation) by providing and maintaining (or assisting in providing and maintaining) houses and homes for such older people and providing (or assisting in providing) amenities or services for the benefit of such older people, and for other charitable purposes beneficial to the community.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The year in review

This was the year where we returned to normal activities in our four supported houses and Nonsuch Abbeyfield. We have full occupancy at Nonsuch and regular occupancy in supported housing. There will always be higher turnover in our residents in the supported houses, as people's needs change as they may move to care homes or leave for similar reasons.

We have reviewed our marketing proposition and launched our new website during the year. This helps showcase the quality of our supported houses and Nonsuch Abbeyfield as well as giving the user an insight into the quality of our staff and services.

It is the aim of the Trustees to ensure that the total annual cost of the services provided to our residents in our rental accommodation is affordable to a wide range of individuals, especially those on state benefits. We also offer accommodation at our independent living development, Nonsuch Abbeyfield, on a long lease basis, and we have priced our accommodation and services to make available this style of living to those who are not able to afford similar offerings provided by the commercial 'for profit' market.

For the year our four supported houses continued to benefit from a stable staff and support by a committed team of volunteers. We began the year with 9 vacancies of the total capacity of 37 units and ended the year with 10 vacancies out of 39 units.

During the year the Trustees commissioned health and safety and fire assessments for all supported houses to ensure that we continue to offer safe environment for our residents.

Considering the results of the review and due to the Grade II status of our Old House property it was decided to shut the property following the end of the financial year. Trustees considered that the cost of bring the property up to modern standards would not be recouped by future income generation and be a drain on the charity's resources. The former residents were offered and have taken residency in the remaining supported houses. The other three houses have facilities that continue to be up to standard.

ABBNEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The year in review (*continued*)

Nonsuch Abbeyfield has also continued to operate effectively during the year, with the restaurant offering service throughout the year with regular events taking place, facilitated by the residents and with support from staff and volunteers.

At the start of the financial year 59 apartments at Nonsuch Abbeyfield were occupied (36 leaseholder and 23 affordable rentals). Residents continued to move in throughout the year and at year end 59 of the 60 apartments were occupied (36 leaseholder and 23 affordable rentals).

We now have accommodation for 32 older people in our 3 supported houses and 60 apartments in Nonsuch Abbeyfield, together capable of accommodating over 150 residents.

The challenge continues to be delivering the range of services at all our facilities that enhance the lives of all our residents.

In October 2022, we repaid all our loans and are now debt free. This is a remarkable achievement and one we should be proud of.

The Board consider that they have had due regard to the Charity Commission's public benefit guidance in exercising its powers and duties during the period since its last report.

Overview of performance and financial position

The result for the year is a £55k deficit (2022: £106k surplus). So long as our operations continue to be disrupted by increasing utility costs and general inflation, along with our remaining defects arising from the construction of Nonsuch Abbeyfield and a wide-ranging review of our supported houses, we cannot be totally confident of a net operating surplus in the short-term. The Board monitors operating contributions from our supported houses and the decision to close Old House was an outcome of this proactive stance.

The Board continues to review our supported housing portfolio to ensure it remains viable in the changing market conditions. During 2023/24 the Trustees will review the Society's strategy for further capacity and service growth, particularly in the light of the results of the strategic review of the wider national Abbeyfield movement that has continued to progress in 2024.

The Board closely monitors the operations of all our activities and works with our Finance Manager to ensure we are aware of issues which will impact the overall results by understanding variances from our detailed budgets and to agree appropriate action. To improve our management reporting, we have invested time and funds into a new management information system which the Board consider essential for our future. This investment, whilst coming in within the budget set, did contribute in part to the year's deficit.

We finalised the account with our development contractor in July 2021, agreeing £189k of Liquidated and Ascertained Damages, which we recognised in 2020/21. We also held a retention of £187k, 1.5% of the contract value, on our balance sheet in recognition of the remaining outstanding snagging and latent defect works. The contractor went into liquidation in October 2021, so we are working with the administrators and their agents, to justify our entitlement to this amount in full to complete the rectification works. The retention, £112k at the beginning of the year, has been fully expended.

The Society managed its working capital and cash flow to ensure that its financial commitments were met during the year. Our balance sheet continues to be strong with significant property assets and good cash reserves. We achieved growth of 15% on our combined charitable activity and other trading activity income, but we are having to work hard to manage our cost base to maintain these balances.

ABBNEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

Overview of performance and financial position (*continued*)

Post year end we have merged with Abbeyfield Chelsea & Fulham Society. The Board believe this will deliver significant benefits for both parties, enabling pooling of resources, economies of scale and sharing of best practices in both Societies. This will enable the charity to pursue its aim of considering new projects in the future at a pace in line with the Board's approach to risk.

We have a clear understanding of our financial return and performance. We manage our finances to invest in the right assets, improve voids management, deliver savings through operational efficiency, and improve systems. We benchmark our services within and outside the Abbeyfield community and look for savings in procurement.

Employees

We have a small management and administration team that ensure smooth operation of the society. They are located at Nonsuch Abbeyfield and directly manage the local operation. In addition, we have a full-time permanent house manager at each of our three supported houses, who manage the house and residents' welfare. They are supported by a part time relief and domestic team.

The number of full-time equivalent employees ("FTEs") is largely the same as last year. During the year to 30th September 2023, the total number of FTE employees the Society had was 14.6 with 10 full time employees and 12 part time employees (2022: FTEs 14.5).

The Society shares information on its objectives, progress and activities through the regular office and team meetings involving Board members, volunteers, and staff.

The Society is committed to the principles of diversity and equality regardless of age, gender, ethnicity, race, disability, religion, gender re-assignment or sexual orientation. These principles are reflected in the Society's approach to the recruitment, development, and promotion of staff.

Trustees and Volunteers

The Society could not function without the invaluable help of our Volunteers and Trustees who give so much time and effort to helping the Society progress and prosper. We estimate that the number of hours given to the Society for the year ended 30th September 2023 is conservatively 9,500 which at a rate of £15 per hour has potentially saved the Society around £150,000. Many of them use their skills from their own working life and we cannot thank all our volunteers enough for all they contribute to our Society.

Health & Safety

The Society is aware of its responsibilities on matters relating to health and safety. The Society has prepared detailed health and safety policies and provides training and education to our staff on health and safety matters.

There were no RIDDOR reportable Health and Safety incidents in the year ended 30th September 2023 (2022: Nil).

Reserves

The Board's policy is to retain such reserves as in the Board's judgment are adequate to cover for contingencies in meeting essential services. These include:

- Day-to-day expenditures, including a contingency for any large unforeseen items.
- Funding for development projects.
- Major repairs and renewals expenditures needed on the Society's operating properties.

After transfer of the deficit for the year of £55k (2022: surplus £106k), and other transfers at the year-end, income funds decreased to £7,031k (2022: £7,086k), including restricted reserves of £6.1k (2022: £6.1k).

Treasury management

The Society's financial resources consist mainly of cash and bank deposits. The Society holds sufficient funds to meet day to day requirements and has no debt and the properties are no longer the subject of a charge over them.

The Society invests surplus funds in interest-bearing deposit accounts.

In line with Government guidance, the Society's policy is to pay purchase invoices within 30 days of receipt, or earlier if agreed with the supplier.

ABBNEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Cash flow and liquidity and security

The statement of cash flows on page 17 of the financial statements shows that during the year the Society generated net cash inflow from operating activities of £22k (2022: £336k). Total net cash movement for the year was a cash outflow of £3,346k (2022: inflow £839k) primarily due to repayment of a significant bank loan during the year.

Going concern

The board is satisfied that it has adequate resources to continue in operational existence for the foreseeable future and accordingly continues to adopt the going concern basis of accounting.

Strategic Review

During 2019, The Abbeyfield Society initiated a review of the Strategy for the future focus and development of the Abbeyfield community of societies. The aim of the review was to ensure that it was up to date and relevant in the current social and economic climate. The review resulted in a significant restructuring of the way the movement will be run and financed. Our board was invited to participate at various stages but not in the final decisions. As a result, we will be reviewing our own strategy and plans considering those significant changes in the coming year.

Risk Management

The Board continues to strengthen the risk management process, to ensure that it can adequately monitor and control all significant risks. The Board continually seeks to improve the risk management process, the Audit and Risk Assurance Committee (which was created in March 2020) continues to provide ongoing regular oversight of these important areas.

The board maintain a risk map which ranks risk and identifies the actions to reduce these risks. These risks and actions are monitored by the Audit and Risk Assurance Committee and the Board.

Value for Money

The Regulator for Social Housing (RSH) issued a new Value for Money Standard in April 2017. The Society recognises the importance of these Standards on its regulated housing provision. However, Supported Housing only represents part of the Society's revenue with the rest being made up of support services for our residents.

The strategy for The Society is currently based on maintaining the performance of its four supported houses and expanding its capabilities to operate the independent living with care operation at Nonsuch Abbeyfield.

During 2022/23 the focus will be on reviewing our future growth strategy and governance whilst maintaining a high rate of occupancy and resident satisfaction.

Operational effectiveness and VFM are managed by the Services Committee. Several trustees work together to direct and oversee the Society's financial management and the development of enhanced management information.

ABBNEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

Value for Money Metrics

The Regulator of Social Housing requires the Society to publish performance metrics against its own Value for Money targets. These measure economy, efficiency and effectiveness of all similar operations.

There are 7 metrics covered by this technical note. The society did not set specific targets at the beginning of the financial year.

Metric 1 – Reinvestment %

The Reinvestment metric looks at the investment in properties (Existing stock and New Supply) as a percentage of the value of total properties held.

The Society metric for reinvestment is 2.62%

Metric 2 – New Supply Delivered %

The New Supply metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.

The Society metric for new supply delivery for social housing units is 3.17%

No new supply was delivered in the year for non-social housing units.

Metric 3 – Gearing %

The gearing metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance.

The gearing for the Society is negative at -30.7%

Metric 4 - Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %

The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity.

The EBITDA MRI interest cover for the Society is 1,288%

Metric 5 - Headline social housing cost per unit

The Headline social housing cost per unit metric assesses the headline social housing cost per unit as defined by the regulator.

The headline social housing cost per unit for the Society is £14,500.

Metric 6 - Operating Margin %

The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account.

The Society's operating margin on social housing lettings only is negative at -3.26%.

The Society's overall operating margin is negative at -3.27%.

Metric 7 - Return on capital employed (ROCE) %

The ROCE compares the operating surplus to total assets less current liabilities.

The Society's ROCE is negative at -0.61%

ABBNEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

Structure, governance and management

Abbeyfield Southern Oaks was established on 6th September 1962 under a Memorandum and Articles of Association which set out its objects, powers, and governance arrangements.

The Society is a registered charity, a registered housing association, and a company limited by guarantee which does not have a share capital. Every member of the Society undertakes to contribute an amount not exceeding £1 to the assets of the Society in the event of winding up. The total number of such members at 30th September 2023 was 48 (2022: 48).

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

M C Angus	(Resigned 12 August 2023)
A F Carrington	
S L Eagle	
D K L Horne	
Dr A M Hoy	
J Macdonald	(Resigned 21 December 2022)
N C L Macdonald	
L Maggs	(Resigned 10 November 2023)
J W Mann	
Y McCabe	(Appointed 22 November 2023)
A Mehmet	(Appointed 21 November 2023)
S J Moore	
A S Parsons	(Appointed 12 December 2022)
C N Shore	
Dr M W Wakerley	
G A J Walker	

In accordance with the Memorandum and Articles of Association, re-elections will be established at the Annual General Meeting, which will be held virtually at 4:00pm on Monday 11th March 2024.

We recruit trustees using a range of methods including, but not limited to, advertising online, from our existing trustees and volunteers' network, and using specialist trustee recruitment agencies.

The Board recognises the importance of good governance and, in view of the increase in its operational size this year, has reviewed its governance arrangements to reset them for the next phase of the Society's development. The Board's review was conducted with reference to the 3rd edition of The Charity Governance Code (for larger charities) published in July 2017, with the support and endorsement of the Charities Commission, and The Governance and Financial Viability Code of Practice, published by the Homes and Communities Agency in April 2015. As noted elsewhere, we are delighted to have been joined this year by a number of new Trustees, each bringing directly relevant experience and skill appropriate to different areas of our activities.

The Board considers that the charity is compliant with the Governance and Financial Viability Standard and there have been no instances of non-compliance in the year.

The Code of Governance adopted by the Charity is The Charity Code of Governance.

The Board is satisfied that its governance arrangements are currently compliant with the principles of the Charity Commission's Guidelines.

ABBEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

Statement of Trustees responsibilities

The Trustees, who are also the directors of Abbeyfield Southern Oaks for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

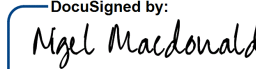
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Housing SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

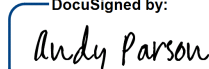
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

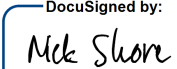
Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees report was approved by the Board of Trustees.

DocuSigned by:

.....A5FB6121B983424...
N C L Macdonald
Trustee

DocuSigned by:

.....C8154908ACD143B...
A S Parsons
Trustee

DocuSigned by:

.....3EFA46918FD8425...
C N Shore
Trustee

28/2/2024 | 13:50 PST
Date:

ABBEYFIELD SOUTHERN OAKS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS

Opinion

We have audited the financial statements of Abbeyfield Southern Oaks (the 'charity') for the year ended 30 September 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ABBEYFIELD SOUTHERN OAKS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We have gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures at charity levels to respond to the risk, recognising that risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, Charities Act 2011, taxation legislation, financial authority regulation, data protection, anti-bribery and health and safety legislation.

ABBEYFIELD SOUTHERN OAKS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included inquiries of management their own identification and assessment of the risks of irregularities, comparing total expected income to actual on a proof in total basis, risk-based sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BAF338C2606D4C1...

Daniel Faust (Senior Statutory Auditor)
for and on behalf of FLB Audit LLP
Statutory Auditor
1010 Eskdale Road
Winnersh Triangle
Wokingham
Berkshire
RG41 5TS

29/2/2024 | 13:59 GMT
.....

ABBNEYFIELD SOUTHERN OAKS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Notes							
<u>Income and endowments from:</u>							
Donations and legacies	3	61,811	-	61,811	63,629	-	63,629
Charitable activities	4	1,673,285	-	1,673,285	1,361,755	-	1,361,755
Other trading activities	5	31,088	-	31,088	113,990	-	113,990
Investments	6	53,010	-	53,010	34,987	-	34,987
Other income	7	17,585	-	17,585	4,000,000	-	4,000,000
Total income		1,836,779	-	1,836,779	5,574,361	-	5,574,361
<u>Expenditure on:</u>							
Raising funds	8	-	-	-	240	-	240
Charitable activities	9	1,914,658	-	1,914,658	1,748,814	-	1,748,814
Other	11	(22,999)	-	(22,999)	3,719,392	-	3,719,392
Total expenditure		1,891,659	-	1,891,659	5,468,446	-	5,468,446
Net (expenditure)/income for the year/							
Net movement in funds		(54,880)	-	(54,880)	105,915	-	105,915
Fund balances at 1 October 2022		7,079,959	6,142	7,086,101	6,974,044	6,142	6,980,186
Fund balances at 30 September 2023		7,025,079	6,142	7,031,221	7,079,959	6,142	7,086,101

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ABBNEYFIELD SOUTHERN OAKS

BALANCE SHEET

AS AT 30 SEPTEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	16		7,460,481		7,558,355
Current assets					
Stocks	18	9,009		8,336	
Debtors	19	67,985		27,196	
Cash at bank and in hand		1,917,125		5,263,506	
		1,994,119		5,299,038	
Creditors: amounts falling due within one year	20	(518,595)		(3,826,638)	
Net current assets			1,475,524		1,472,400
Total assets less current liabilities			8,936,005		9,030,755
Creditors: amounts falling due after more than one year	21		(1,904,784)		(1,944,654)
Net assets			7,031,221		7,086,101
Income funds					
Restricted funds	25		6,142		6,142
<u>Unrestricted funds</u>					
Designated funds	26	642,292		597,102	
General unrestricted funds		5,522,329		5,622,399	
Revaluation reserve		860,458		860,458	
			7,025,079		7,079,959
			7,031,221		7,086,101

28/2/2024 | 13:50 PST

The financial statements were approved by the Trustees on

DocuSigned by:

Nigel Macdonald

.....ASF86121B983424...
N C L Macdonald
Trustee

DocuSigned by:

Andy Parsons

.....C8154906ACD143B...
A S Parsons
Trustee

DocuSigned by:

McK Shore

.....3EFA46916FD6425...
C N Shore
Trustee

Company registration number 00734705

ABBNEYFIELD SOUTHERN OAKS**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 SEPTEMBER 2023**

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	28		22,296		336,216
Investing activities					
Purchase of tangible fixed assets		(268,439)		(18,885)	
Proceeds from sale of development properties		-		4,000,000	
Investment income received		53,010		9,987	
Net cash (used in)/generated from investing activities			(215,429)		3,991,102
Financing activities					
Repayment of bank loans		(3,153,248)		(3,394,161)	
Interest paid on borrowings		-		(94,454)	
Net cash used in financing activities			(3,153,248)		(3,488,615)
Net (decrease)/increase in cash and cash equivalents			(3,346,381)		838,703
Cash and cash equivalents at beginning of year			5,263,506		4,424,803
Cash and cash equivalents at end of year			1,917,125		5,263,506

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

Charity information

Abbeyfield Southern Oaks is a registered charity in England and Wales (No. 247308), a registered housing association with the Regulator of Social Housing (No. H1185) and a private company limited by guarantee (No. 00734705) which does not have a share capital. Every member of the Society undertakes to contribute an amount not exceeding £1 to the assets of the Society in the event of winding up.

The registered office address is: Nonsuch Abbeyfield Old Schools Lane, Ewell, Epsom, Surrey, KT17 1FL.

The Society is engaged in social housing activities as defined in the Housing and Regeneration Act 2008.

The Society is associated by name and objects with, and is an associated member of, The Abbeyfield Society, which provides guidance, co-ordination, initiative, development and representation to independent Abbeyfield Societies throughout the United Kingdom.

Since its formation, the objects of the Society have been to carry on for the benefit of the community the provision and management of housing for letting for the support and care of older people of all classes exposed to the disabilities of old age, or otherwise being in need.

The Society operates five Abbeyfield houses at 2 Purley Knoll, Purley, Surrey CR8 3AE, 82 York Road, Cheam, Surrey SM2 6HJ, 82 Mulgrave Road, Sutton, Surrey SM2 6LZ, The Old House, Epsom Road, Ewell, Surrey KT17 1JZ and Nonsuch Old Schools Lane, Ewell, Surrey KT17 1FL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Statement of Recommended Practice Accounting for Registered Social Housing Providers 2018 (Housing SORP), the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

SORP Departure

The Society has departed from the Housing SORP by opting to produce a Statement of Financial Activities under the Charities SORP because it judged this treatment more appropriate in presenting detailed information to the members. As a result, the Statement of Comprehensive Income required under the Housing SORP has been omitted. It is considered that the equivalent information can be obtained from the Statement of Financial Activities included.

The Statement of Changes in Reserves required under the Housing SORP has also been omitted, however this information is presented in Notes 25, 26 & 27 of the financial statements.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies (Continued)

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Where income is received in advance of meeting any performance related conditions and there is not unconditional entitlement to the income, its recognition is deferred and included in creditors as deferred income until the performance conditions are met.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income consists of rents from residents of supported houses and independent living, fundraising and sales of flats.

Interest income is recognised using the effective interest rate method.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Housing land and buildings are stated at cost less accumulated depreciation. Housing land and buildings purchased prior to the transition to FRS 102 are held at deemed cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Straight line over 5 to 50 years
Fixtures, fittings and equipment	Straight line over 5 to 25 years
Motor vehicles	Straight line over 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Freehold land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, of if there is an indication of a significant change since the last reporting date.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential. At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense in the period in which payment is made.

1.12 Government Grants - Social Housing Grants

The Society is in receipt of Social Housing Grants, formerly called Housing Association Grants (HAG). Where developments have been wholly or partially funded by such grants, the grant is recognised as income over the useful life of the property which is funded in accordance with the accruals model.

These grants may be repayable in the event that the relevant property is sold, or the Society ceases to use it for social housing, or if certain other relevant events take place, but can be rolled over into other purchase or development activities in certain circumstances.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Useful economic lives

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. These are amended where necessary to reflect current estimates, based on economic utilisation and physical condition of the assets.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	21,942	23,760
Government grants receivable	39,869	39,869
	<u>61,811</u>	<u>63,629</u>

Government grants receivable represents the amount released under the accruals model in respect of Housing Association grants received for the development and provision of social housing.

4 Income from charitable activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Charitable activities		
Income receivable from letting of units	<u>1,673,285</u>	<u>1,361,755</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

5 Income from other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other services	31,088	113,990

6 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Lease premium income	25,000	25,000
Interest receivable	28,010	9,987
	53,010	34,987

7 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other income	17,585	-
Proceeds from sale of flats	-	4,000,000
	17,585	4,000,000

8 Raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising costs	-	240
	-	240

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

9 Charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Staff costs	493,872	240,317
Depreciation and impairment	366,314	337,951
Food and household	125,226	133,400
Repairs and redecoration	62,505	132,015
Rates and utilities	202,445	139,903
Insurance	23,778	24,485
Telephone	23,066	20,854
Catering costs	281,232	254,890
Sundries	26,669	55,439
Affiliation fees	20,060	21,957
	<u>1,625,167</u>	<u>1,361,211</u>
Share of support costs (see note 10)	264,066	375,827
Share of governance costs (see note 10)	25,425	11,776
	<u>1,914,658</u>	<u>1,748,814</u>

All costs have been allocated to the charity's single activity: letting of units.

10 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Staff costs	117,734	-	117,734	264,904	-	264,904
Miscellaneous expenses	16,668	-	16,668	9,205	-	9,205
Office expenses	64,896	-	64,896	38,285	-	38,285
Legal and professional fees	64,768	-	64,768	63,433	-	63,433
Audit fees	-	22,952	22,952	-	6,356	6,356
Miscellaneous	-	2,473	2,473	-	5,420	5,420
	<u>264,066</u>	<u>25,425</u>	<u>289,491</u>	<u>375,827</u>	<u>11,776</u>	<u>387,603</u>
Analysed between Charitable activities	<u>264,066</u>	<u>25,425</u>	<u>289,491</u>	<u>375,827</u>	<u>11,776</u>	<u>387,603</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

11 Other

	Unrestricted funds 2023	Unrestricted funds 2022
Development costs for flats sold	-	3,497,128
Loan interest	7,054	94,454
Other expenditure	(30,053)	127,810
	<u>(22,999)</u>	<u>3,719,392</u>

12 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2022: Nil)

13 Auditor's remuneration

Fees payable to the charity's auditor and associates:	2023 £	2022 £
Audit of the charity's annual accounts	<u>19,500</u>	<u>10,000</u>
Non-audit services		
All other non-audit services	<u>2,500</u>	<u>3,500</u>

14 Employees

The average monthly number of employees during the year, calculated on the basis of full time equivalents, was:

	2023 Number	2022 Number
Office	8	6
Social housing staff	<u>12</u>	<u>13</u>
Total	<u>20</u>	<u>19</u>

Employment costs	2023 £	2022 £
Wages and salaries	560,166	459,376
Social security costs	43,012	38,629
Other pension costs	8,428	6,311
	<u>611,606</u>	<u>504,316</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

14 Employees

(Continued)

The total remuneration (including pension contributions) for key management personnel amounted to £176,552 (2022: £153,978).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£70,001 to £80,000	-	2
£80,001 to £90,000	2	-
	<u>2</u>	<u>-</u>

15 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

16 Tangible fixed assets

	Freehold land and buildings	Assets under construction	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2022	7,236,447	-	1,237,099	14,880	8,488,426
Additions	15,401	63,795	189,243	-	268,439
	<u>7,251,848</u>	<u>63,795</u>	<u>1,426,342</u>	<u>14,880</u>	<u>8,756,865</u>
At 30 September 2023	7,251,848	63,795	1,426,342	14,880	8,756,865
Depreciation and impairment					
At 1 October 2022	709,014	-	215,105	5,952	930,071
Depreciation charged in the year	302,939	-	60,398	2,976	366,313
	<u>1,011,953</u>	<u>-</u>	<u>275,503</u>	<u>8,928</u>	<u>1,296,384</u>
At 30 September 2023	1,011,953	-	275,503	8,928	1,296,384
Carrying amount					
At 30 September 2023	<u>6,239,895</u>	<u>63,795</u>	<u>1,150,839</u>	<u>5,952</u>	<u>7,460,481</u>
At 30 September 2022	<u>6,527,433</u>	<u>-</u>	<u>1,021,994</u>	<u>8,928</u>	<u>7,558,355</u>

The valuation of freehold operating properties shown above of £7,251,848 (2021: £7,236,447) includes £1,405,844 (2022: £1,405,844) attributed to the land element of the properties as estimated by the Trustees.

The freehold operating properties brought forward are in line with trustees estimates of value on an ongoing basis of current use.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

17	Financial instruments		2023	2022
			£	£
	Carrying amount of financial assets			
	Measured at amortised cost		31,166	2,025
	Carrying amount of financial liabilities			
	Measured at amortised cost		2,285,159	5,752,583
18	Stocks		2023	2022
			£	£
	Restaurant and shop stock		9,009	8,336
19	Debtors		2023	2022
			£	£
	Amounts falling due within one year:			
	Trade debtors		21,083	(7,389)
	Other debtors		10,083	2,025
	Prepayments and accrued income		36,819	32,560
			67,985	27,196
20	Creditors: amounts falling due within one year		2023	2022
		Notes	£	£
	Bank loans	23	-	3,153,248
	Other taxation and social security		13,270	11,320
	Deferred income	22	164,819	189,819
	Trade creditors		75,979	100,960
	Other creditors		10,338	161,440
	Accruals		254,189	209,851
			518,595	3,826,638
21	Creditors: amounts falling due after more than one year		2023	2022
		Notes	£	£
	Deferred income	22	1,624,444	1,664,314
	Other creditors		280,340	280,340
			1,904,784	1,944,654

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

22 Deferred income

	2023 £	2022 £
Arising from government grants	1,664,313	1,704,183
Other deferred income	124,950	149,950
	<u>1,789,263</u>	<u>1,854,133</u>

Deferred government grants represent the balance of Housing Association grants being released over the useful life in line with the asset to which they relate.

These grants may be repayable in the event that the relevant property is sold, or the Society ceases to use it for social housing, or if certain other relevant events take place, but can be rolled over into other purchases or development activities in certain circumstances. The total value of the grants awarded to the charity is £1,993,441 (2022: £1,993,441).

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	164,819	189,819
Non-current liabilities	<u>1,624,444</u>	<u>1,664,314</u>
	<u>1,789,263</u>	<u>1,854,133</u>
Movements in the year:		
Deferred income at 1 October	1,854,133	1,919,001
Released from previous periods	<u>(64,870)</u>	<u>(64,868)</u>
Deferred income at 30 September	<u>1,789,263</u>	<u>1,854,133</u>

23 Loans and overdrafts

	2023 £	2022 £
Bank loans	<u>-</u>	<u>3,153,248</u>
Payable within one year	<u>-</u>	<u>3,153,248</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

23 Loans and overdrafts

(Continued)

During the previous year, the bank loans were converted from development loans to term loans. The term bank loans had a fixed interest rate of 1.9% over the base interest rate and were secured on the Society's properties.

The term loan was repaid in full on 3rd October 2022.

24 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £8,428 (2022: £6,311).

25 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 October 2022	At 30 September 2023
	£	£
The Old House Legacy	6,142	6,142
	<u> </u>	<u> </u>
Previous year:	At 1 October 2021	At 30 September 2022
	£	£
The Old House Legacy	6,142	6,142
	<u> </u>	<u> </u>

The ongoing Restricted Fund is the balance of a legacy left to the Society for the express use of The Old House in Ewell.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

26 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 October 2022	Incoming resources	Resources expended	At 30 September 2023
	£	£	£	£
Designated funds				
Amenity Funds	33,938	3,527	(9,271)	28,194
Major Repair Reserves	490,675	56,923	-	547,598
Resident Transport Reserve	72,489	358	(6,347)	66,500
General funds	5,622,399	1,775,971	(1,876,041)	5,522,329
Revaluation reserve	860,458	-	-	860,458
	<u>7,079,959</u>	<u>1,836,779</u>	<u>(1,891,659)</u>	<u>7,025,079</u>
 Previous year:	 At 1 October 2021	 Incoming resources	 Resources expended	 At 30 September 2022
	£	£	£	£
Designated funds				
Amenity Funds	28,992	7,138	(2,192)	33,938
Major Repair Reserves	433,752	56,923	-	490,675
Resident Transport Reserve	86,152	-	(13,663)	72,489
General funds	5,564,690	5,510,300	(5,452,591)	5,622,399
Revaluation reserve	860,458	-	-	860,458
	<u>6,974,044</u>	<u>5,574,361</u>	<u>(5,468,446)</u>	<u>7,079,959</u>

Amenity Funds

These funds have been designated to provide additional amenities and entertainment to residents outside of core activities.

Major Repairing Reserve

It is the Trustees' opinion that funds will be required for future cyclical and major repairs in the medium and long term for their existing sheltered houses and Nonsuch Abbeyfield. Amounts previously set aside for this purpose have been carried forward as designated reserves. Amounts similar to those provided in previous years will continue to be set aside as reserves in future years.

The amounts so set aside are based on the Society's obligation to carry out such works on a continuing basis for the future maintenance of its properties, based on planned programmes of work for which grants will not be available.

Resident Transport Reserve

These funds from the bequest from Mrs Eveline Walker have been set aside with the purpose to provide transport for the residents of Abbeyfield Southern Oaks.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

27 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 30 September 2023 are represented by:			
Tangible assets	7,460,481	-	7,460,481
Current assets/(liabilities)	1,469,382	6,142	1,475,524
Long term liabilities	(1,904,784)	-	(1,904,784)
	<u>7,025,079</u>	<u>6,142</u>	<u>7,031,221</u>

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 30 September 2022 are represented by:			
Tangible assets	7,558,355	-	7,558,355
Current assets/(liabilities)	1,466,258	6,142	1,472,400
Long term liabilities	(1,944,654)	-	(1,944,654)
	<u>7,079,959</u>	<u>6,142</u>	<u>7,086,101</u>

28 Cash generated from operations

	2023 £	2022 £
(Deficit)/surplus for the year	(54,880)	105,915
Adjustments for:		
Investment income recognised in statement of financial activities	(53,010)	(34,987)
Loan interest paid	-	94,454
Gain on disposal of tangible fixed assets	-	(502,872)
Grant income receivable	(39,869)	(39,869)
Loss/(profit) on sale of tangible fixed assets	-	154
Depreciation and impairment of tangible fixed assets	366,314	337,797
Movements in working capital:		
(Increase) in stocks	(673)	(1,863)
(Increase)/decrease in debtors	(40,789)	444,710
(Decrease) in creditors	(129,796)	(42,223)
(Decrease) in deferred income	(25,002)	(25,000)
Cash generated from operations	<u>22,295</u>	<u>336,216</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

29 Analysis of changes in net funds

	At 1 October 2022 £	Cash flows £	At 30 September 2023 £
Cash at bank and in hand	5,263,506	(3,346,381)	1,917,125
Loans falling due within one year	(3,153,248)	3,153,248	-
	<u>2,110,258</u>	<u>(193,133)</u>	<u>1,917,125</u>

30 Events after the reporting date

On 31 January 2024, Abbeyfield Southern Oaks merged with another charity, Abbeyfield Chelsea and Fulham Society. The estimated financial impact of this merger is an increase to net assets of £2,106,720.

31 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

32 Social Housing Stock

The number of bed spaces excluding housekeeper & guest rooms available as Social Housing Accommodation for the year was 63 (2022: 61).

All properties are owned and managed by the Society.

33 Contingencies

Under the terms of the Section 106 planning agreement entered into between the Society and Epsom and Ewell Borough Council the Society has committed to fund the construction of a sports pavilion at Old Schools Lane prior to 2nd January 2028. Provided that Epsom Sports Club can meet its financial obligations under the lease, the Society has an agreement to lease the pavilion to the sports club on a term that is coterminous with the lease of the playing fields.

ABBNEYFIELD SOUTHERN OAKS**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 30 SEPTEMBER 2023**34 Surplus/(deficit) in respect of social housing activities**

	2023	2022
	£	£
Income		
Rent receivable excluding service charges	292,464	286,370
Service charges	590,487	526,214
Government grants receivable	24,688	39,869
Other income in relation to the provision of services to residents in social housing	267,100	250,451
	1,174,739	1,102,905
Operating expenditure		
Affiliation fees	(12,967)	(21,957)
Housekeeping & catering	(204,702)	(195,714)
Depreciation	(230,325)	(130,298)
Insurance	(15,576)	(16,216)
Rates & utilities	(122,556)	(80,922)
Repairs & decorations	(48,715)	(51,430)
Staff costs	(451,433)	(357,421)
Sundries	(20,631)	(28,862)
Telephone	(11,576)	(3,405)
Office expenses	(40,338)	(22,094)
Loan interest	(4,436)	-
Audit fee	(9,030)	(3,834)
Legal & professional	(40,730)	(28,705)
	(1,213,015)	(940,859)
Surplus/(deficit) for the year in respect of social housing activities	(38,276)	162,046
<i>Void losses (being rental income lost as a result of property not being let, although it is available for letting)</i>	<i>(200,737)</i>	<i>(164,548)</i>

Accounts

Charity registration number 247308

Company registration number 00734705 (England and Wales)

ABBNEYFIELD SOUTHERN OAKS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

ABBEYFIELD SOUTHERN OAKS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	N C L Macdonald	
	S L Eagle	(Appointed 17 August 2022)
	S J Moore	(Appointed 8 August 2022)
	D K L Horne	(Appointed 6 July 2022)
	J W Mann	
	A F Carrington	
	Dr A M Hoy	
	M C Angus	
	C N Shore	
	L Maggs	
	G A J Walker	
	Dr M W Wakerley	
	A S Parsons	(Appointed 12 December 2022)
Charity number	247308	
Company number	00734705	
Regulator of Social Housing number	H1185	
Registered office	Nonsuch Abbeyfield Old Schools Lane	
	Ewell	
	Epsom	
	Surrey	
	KT17 1FL	
Auditor	FLB Accountants LLP	
	250 Wharfedale Road	
	Winnersh Triangle	
	Wokingham	
	Berkshire	
	RG41 5TP	

ABBNEYFIELD SOUTHERN OAKS

CONTENTS

	Page
Chairman's statement	1 - 3
Trustees report	4 - 9
Independent auditor's report	10 - 12
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16 - 31

ABBNEYFIELD SOUTHERN OAKS

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Introduction

Following the unexpected resignation for family reasons of our Chairman Tim Howe announced at our last AGM, we accepted the request to take the helm jointly, on an interim basis. We now present our report and that of the Trustees for the year ending 30th September 2022.

We are indebted to Tim for the work, time and input he gave to ASO during his tenure. It was a challenging time, and we are grateful to him for the guidance and insight he provided to the Board and all our staff and volunteers.

Tim's departure stimulated the Board to undertake a major review of our structure and the way we work, which led to some significant changes.

After extensive discussions amongst Trustees and with Martin King (our Director of Business Operations), and Mandy Coe (our Finance Manager), we agreed to restructure the ongoing management of our operations to give them both a clearer framework for their management responsibilities whilst continuing the process of professionalising and renewing our Trustee body.

Renewal of our Trustee Board and its Services Committee

We have been very fortunate to be able to recruit John Mann who now looks after all our properties; Doug Horne who now looks after our Marketing, Sales and Communications; Stephen Eagle who looks after our Hospitality and Catering; and Sue Moore as Deputy Company Secretary and experienced project manager. More recently we have asked Andy Parsons to serve as our Finance Trustee. All these new Trustees bring relevant professional experience and skills that will strengthen our Board and help us to handle the challenges and opportunities that lie ahead.

These Trustees along with Andrew Hoy, Anne Carrington, Margaret Angus, Martin and Mandy now form the Services Committee. This Committee, under the leadership of Nick Shore, now has day-to-day responsibility for running the operational side of our society and for co-ordinating the various improvement projects in consultation with Martin and Mandy. It meets formally each month, but much activity takes place in between meetings. The changes have been well received by all concerned and we are glad to report that they are working well.

A farewell to two long-standing Trustees

We were sorry to say farewell to Maurice Pagella and his wife Mary Boorman. It is difficult for those not involved in the development at Nonsuch to appreciate the total commitment and contribution they made in making it all happen and subsequently in the formal Grand Opening of the new building. Mary led in all aspects of customer-led design and marketing and Maurice in strategic and financial management. We greatly appreciate Maurice's 20 plus years of service to ASO and its predecessor societies and wish both Maurice and Mary well for the future.

Operating in difficult times

The coronavirus pandemic continued to disrupt all our attempts to return to a more normal life in the early part of this financial year. However, all our staff once again rose to the challenge and managed to keep our houses largely Covid free, whilst continuing to provide the services and experience that our residents expect. We are also grateful for the continuing patience and understanding shown by residents, their families and friends.

Despite all the difficulties, we managed to continue our steady progress in filling Nonsuch Abbeyfield and it was completely full by the end of the second quarter of 2022. Regaining full occupancy has continued to be more difficult in our Supported Houses, following the serious vacancy problem that arose during the pandemic. During that lengthy time, when residents left us for care homes or other reasons, we were not able to welcome new residents and that did not change until well into the financial year on which we now report. So for the year as a whole we had to carry a significantly larger number of vacancies than usual and this has had significant adverse financial consequences.

However, in more recent months there has been an increased level of interest and the level of occupancy has been rising steadily as older people once again come to realise the benefits of the lifestyle that Abbeyfield Southern Oaks (ASO) offers. We are thus hopeful that occupancy rates will return to normal by the end of the current financial year.

Whilst we are fortunate to have substantial reserves, it is our wish to see every one of the facilities we offer being fully utilised, as that will provide the firm and regular financial base we aim for to support our ambitions of both continuing to develop a strong, cost-effective and vibrant environment for all our residents and of expanding our services.

ABBNEYFIELD SOUTHERN OAKS

CHAIRMAN'S STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The Abbeyfield Society

There have also been developments within The Abbeyfield Society (TAS) the lead body co-ordinating the Abbeyfield movement internationally. These include significant changes in the structure of TAS and the way it operates. There have also been ongoing discussions with member societies as to how the movement should be developed to support the needs and aims of individual societies.

We hope that the future arrangements of TAS will enable greater cohesion within the movement as a whole and we also hope that the new arrangements will be able to provide the support and facilities that we believe member societies need.

Covid pandemic

This continued to dominate our lives for much of the year. The response of our staff – from the most senior managers to the cleaners and handyman – also continued to be outstanding. All of them in their own way went above and beyond the normal requirements of their jobs with the sole purpose of keeping our residents safe. We are very pleased to say that they were almost entirely successful, and apart from a few isolated outbreaks of the virus which were contained and did not spread to other residents, we managed to keep our residents safe and virus free. All our staff can be rightly proud of this achievement.

Nonsuch Abbeyfield

The other really tremendous achievement was completing the full occupation of Nonsuch. This was managed against the backdrop of all the restrictions and obstacles that the Covid virus presented unexpectedly at the very moment that we were first opening. We cannot over emphasise how big an accomplishment it was to achieve full occupancy even as the pandemic was ending and we know that we have performed far better than most commercial entities with similar developments. The sales team was expertly led by one of our Trustees, Mary Boorman, supported by Barbara Merritt, a sales consultant with Hamptons (who has now joined us as an employee). On the rental side, Martin King our Director of Business Operations and Jo Taylor, the Community Manager performed equally well, and the rental units were fully occupied in October 2021. This was a tremendous achievement by the whole team.

Minibus

Finally, we have been able to put our first minibus to increasing use. This was acquired as a result of the generous donation from the estate of Eveline Walker, a former Trustee of a predecessor Society. Full use of the minibus has been hampered by the restrictions of the pandemic, but now, thanks to the hard work of long-standing Trustee Malcolm Wakerley, we are seeking to build up a rota of volunteer drivers to manage regular trips to places such as vineyards, local theatres and cinemas, and regular shopping centres.

Looking forward to 2022/23

We are delighted that since the year end we have been able to pay off the last of the considerable loans we took out to build Nonsuch Abbeyfield, undoubtedly a remarkable achievement in so short and difficult time.

Apart from that we will continue to:

- Maintain a safe, secure and friendly environment for all our residents
- Build the occupancy in our supported houses so that they return to a more normal financial position after the pandemic
- Continue to review and embed efficient and effective systems and processes relevant to the expanded operation that is now ASO
- Develop the community aspects within our houses in order to provide an enhanced experience for our residents
- Continue to review the way we operate, seeking further opportunities to deliver even better value for money
- Explore new business relationships and opportunities which will enable ASO to grow and adapt for the future

ABBNEYFIELD SOUTHERN OAKS

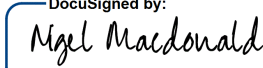
CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

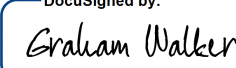
Some special words of thanks

Although their roles (and that of the key Services Committee) have been described above, we cannot complete this report without paying tribute to the huge amount of work that Martin King and Mandy Coe, as the Director of Business Operations and Finance Manager respectively, have put into our whole operation under the most trying of circumstances. They have worked tirelessly and effectively, and we want to put on record our appreciation of all they have done. They have been greatly supported by the whole team, not least by Joanne Taylor our Community Manager, in running the Supported Houses and Nonsuch.

However, we are not complacent, for this continues to be a challenging and exciting time for our Society. If you would like to joins us as a Volunteer, as a Trustee or as a Resident we would love to hear from you.

Nigel Macdonald and Graham Walker
Joint Chairs – Abbeyfield Southern Oaks

DocuSigned by:

.....A5F86121B983424...

DocuSigned by:

.....D'A657771B6144E...

14/2/2023 | 05:14 PST
Date:

ABBNEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2022

The Trustees present their annual report and audited financial statements of the Society for the year ended 30 September 2022. This should be read in conjunction with the Co-Chair's report above.

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Statement of Recommended Practice Accounting for Registered Social Housing Providers 2018 (Housing SORP), the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

Our mission as a charity is to enhance the lives of older people within our local community through the offer of accommodation and support services in a welcoming and supportive environment.

Our objects as set out in our governing document are for the public benefit of the community the provision and management of housing, accommodation and assistance for the relief and care of older people suffering from the disabilities of old age or otherwise being in need in particular (but without limitation) by providing and maintaining (or assisting in providing and maintaining) houses and homes for such older people and providing (or assisting in providing) amenities or services for the benefit of such older people, and for other charitable purposes beneficial to the community.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The year in review

The value and importance of our communal living offering for older people had become even more apparent during the time of enforced restriction on the normal freedoms of daily life, and our residents recognised and accepted the need for the constraints on their freedom to keep our homes as safe as possible, despite the inevitable frustrations that created. The gradual easing of restrictions and the ability to move outside was cautiously welcomed by our residents and allowed us to welcome new residents at all our facilities and to resume normal activities.

Even though the effects of covid continued to be felt across all our 4 supported houses and at Nonsuch Abbeyfield, our new facility, in the early parts of the financial year, and despite all the problems, we have made significant progress. We have full occupation at Nonsuch and increasing occupancy in our supported houses. There will always be higher turnover in our residents in the supported houses, as people's needs change as they have to move to care homes or leave for similar reasons. We are reviewing our marketing as well as the quality of our supported houses to ensure they are attractive to potential residents in the post covid world.

We aim to ensure that the total annual cost of the services provided to our residents in our rental accommodation is affordable to a wide range of individuals especially those on state benefits. We also offer accommodation at our independent living development, Nonsuch Abbeyfield, on a long lease basis, and we have priced our accommodation and services to make available this style of living to those who are not able to afford similar offerings provided by the commercial 'for profit' market. We advertise our services to the general public through both national and local websites and other forms of communication.

Our four supported houses have continued to operate during the year benefitting from a stable staffing structure and the continuing support of committed teams of volunteers. We started the year with 12 vacancies of the total capacity of 36 and ended the year with 9 vacancies out of 37. The capacity increased by letting out a manager flat and we hope to add at least two more during this year. The vacant rooms are all ready for occupation and we have welcomed a number of new tenants since September and have several applicants ready for trial stays.

ABBEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Nonsuch Abbeyfield has also continued to operate effectively during the year despite the Covid-19 constraints in the early part of the year restricting the activities and services for residents, although the restaurant service has operated throughout with regular events taking place, facilitated by the residents and with support from staff and volunteers – all of course regulated in compliance with our Covid-19 policies.

At the start of the financial year 42 apartments at Nonsuch Abbeyfield were occupied (22 leaseholder and 20 affordable rentals). Residents continued to move in throughout the year and at year end all the apartments had been occupied although 1 rental had become vacant by year end.

We now have accommodation for 37 older people in our 4 supported houses and 60 apartments in Nonsuch Abbeyfield, together capable of accommodating over 100 residents.

The challenge as we emerged from the time of extraordinary constraints continues be delivering the range of services at all our facilities that enhance the lives of all our residents.

As of 30th September 2022, the Society had managed, through a steady flow of apartment sales, to pay off much of our loans leaving only £3,153,248 of Term debt. The distribution of sales proceeds in October 2021 completed the development loans from the Unity Trust Bank and Charity Bank, and the remaining balance of £3.25m converted to a term debt facility. Further sales in the final 3 months of 2021 allowed us to repay The Abbeyfield Society loan in full in December 2021, 4 months before the end of the loan term in April 2022.

In October 2022, just after our year end, we repaid all our loans and are now debt free. This is a remarkable achievement and one we should be proud of.

The Board consider that they have had due regard to the Charity Commission's public benefit guidance in exercising its powers and duties during the period since its last report.

Overview of performance and financial position

The result for the year is a £106k surplus (2021 as restated: £84k surplus). So long as our operations continue to be disrupted by increasing utility costs and general inflation, along with our remaining defects arising from the construction of Nonsuch Abbeyfield and a wide ranging review of our supported houses, we cannot be totally confident of a net operating surplus in the short-term. The Board monitors operating contribution and has commenced a review of our supported housing portfolio to ensure it remains viable in the changing market conditions. During 2022/23 the Trustees will review the Society's strategy for further capacity and service growth, particularly in the light of the results of the strategic review of the wider national Abbeyfield movement that has continued to progress in 2022.

The Board closely monitors the operations of all our activities and works with our Finance Manager to ensure we are aware of issues which will impact the overall results by understanding variances from our detailed budgets and to agree appropriate action.

We finalised the account with our development contractor in July 2021, agreeing £189k of Liquidated and Ascertained Damages, which we recognised last year. At the start of the year, we held a retention of 1.5% of the contract value, £187k, on our balance sheet in recognition of the outstanding snagging and latent defect works. There are a number of remaining defects and because the contractor went into liquidation in October 2021, we are working with the administrators and their agents, to justify our entitlement to this amount in full to complete the rectification works.

The Society managed its working capital and cash flow to ensure that its financial commitments were met during the year. Our balance sheet continues to be strong with significant property assets and good cash reserves. We are working hard to manage our cost base to maintain these balances whilst our income growth was hindered due to the pandemic. Our aim is to consider new projects in the future at a pace in line with the Board's approach to risk.

We have a clear understanding of our financial return and performance. We manage our finances to invest in the right assets, improve voids management, deliver savings through operational efficiency, and improve systems. We benchmark our services within and outside the Abbeyfield community and look for savings in procurement.

ABBNEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Employees

We have a small management and administration team that ensure smooth operation of the society. They are located at Nonsuch Abbeyfield and also directly manage the local operation. In addition we have a full time permanent house manager located at each of our four supported houses, who manage the house and residents welfare. They are supported by a part time relief and domestic team.

The number of full-time equivalent employees ("FTEs") is the same as last year. As of 30th September 2022, the total number of FTE employees the Society had was 14.5 with 10 full time employees and 11 part time employees (2021: FTEs 14.5).

The Society shares information on its objectives, progress and activities through the regular office and team meetings involving Board members, volunteers and staff.

The Society is committed to the principles of diversity and equality regardless of age, gender, ethnicity, race, disability, religion, gender re-assignment or sexual orientation. These principles are reflected in the Society's approach to the recruitment, development and promotion of staff.

Health and Safety

The Society is aware of its responsibilities on matters relating to health and safety. The Society has prepared detailed health and safety policies and provides training and education to our staff on health and safety matters.

There were no RIDDOR reportable Health and Safety incidents in the year ended 30th September 2022 (2021: Nil).

Reserves

The Board's policy is to retain such reserves as in the Board's judgment are adequate to cover for contingencies in meeting essential services. These include:

- Day-to-day expenditures, including a contingency for any large unforeseen items.
- Funding for development projects.
- Major repairs and renewals expenditures needed on the Society's operating properties.

After transfer of the surplus for the year of £106k (2021 as restated: £84k), and other transfers at the year-end, revenue reserves increased to £7,086k (2021 as restated: £6,980k), including restricted reserves of £6.1k (2021: £6.1k).

Treasury management

The Society's financial resources consist mainly of cash and bank deposits. The Society holds sufficient funds to meet day to day requirements and has no debt and the properties are no longer the subject of a charge over them.

The Society invests surplus funds in interest-bearing deposit accounts.

In line with Government guidance, the Society's policy is to pay purchase invoices within 30 days of receipt, or earlier if agreed with the supplier.

ABBNEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Cash flow and liquidity and Security

The statement of cash flows on page 19 of the financial statements shows that during the year the Society generated net cash inflow from operating activities of £839k (2021 as restated: -£51k).

Going concern

The board is satisfied that it has adequate resources to continue in operational existence for the foreseeable future and accordingly continues to adopt the going concern basis of accounting.

Strategic Review

During 2019, The Abbeyfield Society initiated a review of the Strategy for the future focus and development of the Abbeyfield community of societies. The aim of the review is to ensure that it is up to date and relevant in the current social and economic climate. The Board is participating in these discussions and will be reviewing its own strategy and plans considering its findings in the coming year.

Risk Management

The Board continues to strengthen the risk management process, to ensure that it can adequately monitor and control all significant risks. The Board continually seeks to improve the risk management process, the Audit and Risk Assurance Committee (which was created in March 2020) continues to provide ongoing regular oversight of these important areas.

The board maintain a risk map which ranks risk and identifies the actions to reduce these risks. These risks and actions are monitored by the Audit and Risk Assurance Committee and the Board.

Value for Money

The Regulator for Social Housing (RSH) issued a new Value for Money Standard in April 2017. The Society recognises the importance of these Standards on its regulated housing provision. However, Supported Housing only represents part of the Society's revenue with the rest being made up of support services for our residents.

The strategy for The Society is currently based on maintaining the performance of its four supported houses and expanding its capabilities to operate the independent living with care operation at Nonsuch Abbeyfield.

During 2022/23 the focus will be on reviewing our future growth strategy and governance whilst maintaining a high rate of occupancy and resident satisfaction.

Operational effectiveness and VFM are managed by the Services Committee. Several trustees work together to direct and oversee the Society's financial management and the development of enhanced management information.

Structure, governance and management

Abbeyfield Southern Oaks was established on 6th September 1962 under a Memorandum and Articles of Association which set out its objects, powers, and governance arrangements.

The Society is a registered charity, a registered housing association, and a company limited by guarantee which does not have a share capital. Every member of the Society undertakes to contribute an amount not exceeding £1 to the assets of the Society in the event of winding up. The total number of such members at 30th September 2022 was 48 (2021: 48).

ABBNEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

N C L Macdonald

S L Eagle

(Appointed 17 August 2022)

S J Moore

(Appointed 8 August 2022)

D K L Horne

(Appointed 6 July 2022)

J W Mann

J Macdonald

(Resigned 21 December 2022)

A F Carrington

Dr A M Hoy

M C Angus

C N Shore

L Maggs

G A J Walker

Dr M W Wakerley

M Pagella

(Retired 21 July 2022)

M Boorman

(Retired 21 July 2022)

T Howe

(Retired 17 March 2022)

A S Parsons

(Appointed 12 December 2022)

In accordance with the Memorandum and Articles of Association, re-elections will be established at the Annual General Meeting, which will be held at 4.00 pm on 13 March 2023.

We recruit trustees using a range of methods including, but not limited to, advertising online, from our existing trustees and volunteers network, and using specialist trustee recruitment agencies.

The Board recognises the importance of good governance and, in view of the increase in its operational size this year, has reviewed its governance arrangements to reset them for the next phase of the Society's development. The Board's review was conducted with reference to the 3rd edition of The Charity Governance Code (for larger charities) published in July 2017, with the support and endorsement of the Charities Commission, and The Governance and Financial Viability Code of Practice, published by the Homes and Communities Agency in April 2015. As noted elsewhere, we are delighted to have been joined this year by a number of new Trustees, each bringing directly relevant experience and skill appropriate to different areas of our activities.

The Board considers that the charity is compliant with the Governance and Financial Viability Standard and there have been no instances of non-compliance in the year.

The Code of Governance adopted by the Charity is The Charity Code of Governance.

The Board is satisfied that its governance arrangements are currently compliant with the principles of the Charity Commission's Guidelines.

ABBNEYFIELD SOUTHERN OAKS

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Statement of Trustees responsibilities

The Trustees, who are also the directors of Abbeyfield Southern Oaks for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

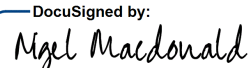
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Housing SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

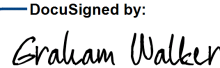
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees report was approved by the Board of Trustees.

DocuSigned by:

A5F86121B983424.....
 N C L Macdonald
Trustee

DocuSigned by:

DA657771B61444E.....
 G A J Walker
Trustee

Date: 14/2/2023 | 05:14 PST
 Date:

ABBNEYFIELD SOUTHERN OAKS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABBNEYFIELD SOUTHERN OAKS

Opinion

We have audited the financial statements of Abbeyfield Southern Oaks (the 'charity') for the year ended 30 September 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ABBEYFIELD SOUTHERN OAKS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

ABBEYFIELD SOUTHERN OAKS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We have gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures at charity levels to respond to the risk, recognising that risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the companies Act 2006, taxation legislation, financial authority regulation, data protection, anti-bribery and health and safety legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included inquiries of management their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BAF338C2606D4C1...

Daniel Faust (Senior Statutory Auditor)
for and on behalf of FLB Accountants LLP

20/2/2023 | 09:42 GMT

Chartered Accountants
Statutory Auditor

250 Wharfedale Road
Winnersh Triangle
Wokingham
Berkshire
RG41 5TP

ABBNEYFIELD SOUTHERN OAKS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total as restated 2021 £
Notes							
<u>Income and endowments from:</u>							
Donations and legacies	3	63,629	-	63,629	130,514	-	130,514
Charitable activities	4	1,361,755	-	1,361,755	965,566	-	965,566
Other trading activities	5	113,990	-	113,990	48,341	-	48,341
Investments	6	34,987	-	34,987	29,017	-	29,017
Other income	7	4,000,000	-	4,000,000	5,827,000	-	5,827,000
Total income		<u>5,574,361</u>	<u>-</u>	<u>5,574,361</u>	<u>7,000,438</u>	<u>-</u>	<u>7,000,438</u>
<u>Expenditure on:</u>							
Raising funds	8	240	-	240	53	-	53
Charitable activities	9	1,748,814	-	1,748,814	1,484,349	-	1,484,349
Other	11	3,719,392	-	3,719,392	5,431,851	-	5,431,851
Total expenditure		<u>5,468,446</u>	<u>-</u>	<u>5,468,446</u>	<u>6,916,253</u>	<u>-</u>	<u>6,916,253</u>
Net income for the year/ Net movement in funds		105,915	-	105,915	84,185	-	84,185
Fund balances at 1 October 2021		<u>6,974,044</u>	<u>6,142</u>	<u>6,980,186</u>	<u>6,889,859</u>	<u>6,142</u>	<u>6,896,001</u>
Fund balances at 30 September 2022		<u><u>7,079,959</u></u>	<u><u>6,142</u></u>	<u><u>7,086,101</u></u>	<u><u>6,974,044</u></u>	<u><u>6,142</u></u>	<u><u>6,980,186</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ABBNEYFIELD SOUTHERN OAKS

BALANCE SHEET

AS AT 30 SEPTEMBER 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	15		7,558,355		7,843,321
Current assets					
Stocks	17	8,336		6,473	
Properties under development for resale		-		3,497,124	
Debtors	18	27,196		471,908	
Cash at bank and in hand		5,263,506		4,424,803	
		5,299,038		8,400,308	
Creditors: amounts falling due within one year	19	(3,826,638)		(4,141,987)	
Net current assets			1,472,400		4,258,321
Total assets less current liabilities			9,030,755		12,101,642
Creditors: amounts falling due after more than one year	20		(1,944,654)		(5,121,456)
Net assets			7,086,101		6,980,186
Income funds					
Restricted funds	24		6,142		6,142
<u>Unrestricted funds</u>					
Designated funds	26	597,102		548,896	
General unrestricted funds		5,622,399		5,564,690	
Revaluation reserve		860,458		860,458	
			7,079,959		6,974,044
			7,086,101		6,980,186

14/2/2023 | 05:14 PST

The financial statements were approved by the Trustees on

DocuSigned by:

Nigel Macdonald

.....A5F86121B983424...

N C L Macdonald

Trustee

DocuSigned by:

Graham Walker

.....DA657771B61444E...

G A J Walker

Trustee

DocuSigned by:

Nick Shore

.....3EFA48918FD8425...

C N Shore

Trustee

Company registration number 00734705

ABBNEYFIELD SOUTHERN OAKS**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 SEPTEMBER 2022**

		2022		2021	
				As restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28		336,216		(388,546)
Investing activities					
Purchase of tangible fixed assets		(18,885)		(53,836)	
Proceeds from sale of development properties		4,000,000		5,422,000	
Investment income received		9,987		29,017	
Net cash generated from investing activities			3,991,102		5,397,181
Financing activities					
Repayment of borrowings				(1,926,720)	
Repayment of bank loans		(3,394,161)		(2,890,885)	
Interest paid on borrowings		(94,454)		(241,863)	
Net cash used in financing activities			(3,488,615)		(5,059,468)
Net increase/(decrease) in cash and cash equivalents			838,703		(50,833)
Cash and cash equivalents at beginning of year			4,424,803		4,475,636
Cash and cash equivalents at end of year			5,263,506		4,424,803

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Charity information

Abbeyfield Southern Oaks is a registered charity in England and Wales (No. 247308), a registered housing association with the Regulator of Social Housing (No. H1185) and a private company limited by guarantee (No. 00734705) which does not have a share capital. Every member of the Society undertakes to contribute an amount not exceeding £1 to the assets of the Society in the event of winding up.

The registered office address is: Nonsuch Abbeyfield Old Schools Lane, Ewell, Epsom, Surrey, KT17 1FL.

The Society is engaged in social housing activities as defined in the Housing and Regeneration Act 2008.

The Society is associated by name and objects with, and is an associated member of, The Abbeyfield Society, which provides guidance, co-ordination, initiative, development and representation to independent Abbeyfield Societies throughout the United Kingdom.

Since its formation, the objects of the Society have been to carry on for the benefit of the community the provision and management of housing for letting for the support and care of older people of all classes exposed to the disabilities of old age, or otherwise being in need.

The Society operates five Abbeyfield houses at 2 Purley Knoll, Purley, Surrey CR8 3AE, 82 York Road, Cheam, Surrey SM2 6HJ, 82 Mulgrave Road, Sutton, Surrey SM2 6LZ, The Old House, Epsom Road, Ewell, Surrey KT17 1JZ and Nonsuch Old Schools Lane, Ewell, Surrey KT17 1FL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Statement of Recommended Practice Accounting for Registered Social Housing Providers 2018 (Housing SORP), the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

SORP Departure

The Society has departed from the Housing SORP by opting to produce a Statement of Financial Activities under the Charities SORP because it judged this treatment more appropriate in presenting detailed information to the members. As a result, the Statement of Comprehensive Income required under the Housing SORP has been omitted. It is considered that the equivalent information can be obtained from the Statement of Financial Activities included.

The Statement of Changes in Reserves required under the Housing SORP has also been omitted, however this information is presented in Notes 24, 25 & 26 of the financial statements.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies (Continued)

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Where income is received in advance of meeting any performance related conditions and there is not unconditional entitlement to the income, its recognition is deferred and included in creditors as deferred income until the performance conditions are met.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income consists of rents from residents of supported houses and independent living, fundraising and sales of flats.

Interest income is recognised using the effective interest rate method.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Housing land and buildings are stated at cost less accumulated depreciation. Housing land and buildings purchased prior to the transition to FRS 102 are held at deemed cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Straight line over 5 to 50 years
Fixtures, fittings and equipment	Straight line over 5 to 10 years
Motor vehicles	Straight line over 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Freehold land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, of if there is an indication of a significant change since the last reporting date.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential. At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense in the period in which payment is made.

1.12 Properties under development for resale

Property in the course of development and completed units are valued at the lower of cost and net realisable value. Direct cost comprises the cost of land, raw materials and development costs but excludes indirect overheads. Provision is made, where appropriate, to reduce the value of properties under development and work in progress to their net realisable value.

1.13 Government Grants - Social Housing Grants

The Society is in receipt of Social Housing Grants, formerly called Housing Association Grants (HAG). Where developments have been wholly or partially funded by such grants, the grant is recognised as income over the useful life of the property which is funded in accordance with the accruals model.

These grants may be repayable in the event that the relevant property is sold, or the Society ceases to use it for social housing, or if certain other relevant events take place, but can be rolled over into other purchase or development activities in certain circumstances.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Useful economic lives

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. These are amended where necessary to reflect current estimates, based on economic utilisation and physical condition of the assets.

3 Donations and legacies

	Unrestricted funds 2022 £	Unrestricted funds as restated 2021 £
Donations and gifts	23,760	90,645
Government grants receivable	39,869	39,869
	<u>63,629</u>	<u>130,514</u>

Government grants receivable represents the amount released under the accruals model in respect of Housing Association grants received for the development and provision of social housing.

4 Charitable activities

	Charitable Income 2022 £	Charitable Income 2021 £
Income receivable from letting of units	<u>1,361,755</u>	<u>965,566</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

5 Other trading activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Other services	113,990	48,341

6 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Lease premium income	25,000	25,000
Interest receivable	9,987	4,017
	34,987	29,017

7 Other income

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Proceeds from sale of flats	4,000,000	5,827,000

8 Raising funds

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Fundraising costs	240	53
	240	53

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

9 Charitable activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Staff costs	240,317	240,800
Depreciation and impairment	337,951	208,592
Food and household	133,400	133,554
Repairs and redecoration	132,015	120,556
Rates and utilities	139,903	172,091
Insurance	24,485	24,552
Telephone	20,854	19,942
Catering costs	254,890	144,044
Sundries	55,439	40,227
Affiliation fees	21,957	11,952
	<u>1,361,211</u>	<u>1,116,310</u>
Share of support costs (see note 10)	375,827	351,269
Share of governance costs (see note 10)	11,776	16,770
	<u>1,748,814</u>	<u>1,484,349</u>

All costs have been allocated to the charity's single activity: letting of units.

10 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Staff costs	264,904	-	264,904	274,596	-	274,596
Depreciation	-	-	-	165	-	165
Miscellaneous expenses	9,205	-	9,205	7,076	-	7,076
Office expenses	38,285	-	38,285	47,041	-	47,041
Legal and professional fees	63,433	-	63,433	22,391	-	22,391
Audit fees	-	6,356	6,356	-	15,873	15,873
Insurance	-	-	-	-	546	546
Miscellaneous	-	5,420	5,420	-	351	351
	<u>375,827</u>	<u>11,776</u>	<u>387,603</u>	<u>351,269</u>	<u>16,770</u>	<u>368,039</u>
Analysed between Charitable activities	<u>375,827</u>	<u>11,776</u>	<u>387,603</u>	<u>351,269</u>	<u>16,770</u>	<u>368,039</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

11 Other

	Unrestricted funds 2022	Unrestricted funds 2021
Development costs for flats sold	3,497,128	5,031,989
Loan interest	94,454	241,862
Other expenditure	127,810	158,000
	<u>3,719,392</u>	<u>5,431,851</u>

12 Auditor's remuneration

Fees payable to the charity's auditor and associates:	2022 £	2021 £
Audit of the charity's annual accounts	<u>10,000</u>	<u>7,500</u>
Non-audit services		
All other non-audit services	<u>3,500</u>	<u>3,000</u>

13 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2021: Nil)

14 Employees

The average monthly number of employees during the year, calculated on the basis of full time equivalents, was:

	2022 Number	2021 Number
Office	6	4
Social housing staff	<u>13</u>	<u>14</u>
Total	<u>19</u>	<u>18</u>

Employment costs	2022 £	2021 £
Wages and salaries	459,376	466,113
Social security costs	38,629	39,737
Other pension costs	6,311	8,187
	<u>504,316</u>	<u>514,037</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

14 Employees

(Continued)

The total remuneration (including pension contributions) for key management personnel amounted to £153,978 (2021: £146,316).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£70,001 to £80,000	2	2

15 Tangible fixed assets

	Freehold land and buildings	Fixtures, Motor vehicles fittings and equipment		Total
	£	£	£	£
Cost				
At 1 October 2021	7,202,347	1,252,116	14,880	8,469,343
Additions	34,100	18,885	-	52,985
Disposals	-	(33,902)	-	(33,902)
At 30 September 2022	7,236,447	1,237,099	14,880	8,488,426
Depreciation and impairment				
At 1 October 2021	355,627	267,419	2,976	626,022
Depreciation charged in the year	353,387	(18,566)	2,976	337,797
Eliminated in respect of disposals	-	(33,748)	-	(33,748)
At 30 September 2022	709,014	215,105	5,952	930,071
Carrying amount				
At 30 September 2022	6,527,433	1,021,994	8,928	7,558,355
At 30 September 2021	6,846,720	984,697	11,904	7,843,321

Under the terms of loan agreements with Unity Trust Bank, arranged to finance the development of the Nonsuch Abbeyfield community, the assets of the Society have been charged under senior debt fixed and floating charges to Unity Trust.

The valuation of freehold operating properties brought forward shown above of £5,208,906 (2021: £5,163,695) includes £1,718,621 (2021: £1,718,621) attributed to the land element of the properties as estimated by the Trustees.

The freehold operating properties brought forward are in line with trustees estimates of value on an ongoing basis of current use.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

16	Financial instruments		2022	2021
			£	£
	Carrying amount of financial assets			
	Measured at amortised cost		2,025	427,250
	Carrying amount of financial liabilities			
	Measured at amortised cost		5,752,583	6,115,678
17	Stocks		2022	2021
			£	£
	Restaurant and shop stock		8,336	6,473
18	Debtors		2022	2021
			£	£
	Amounts falling due within one year:			
	Trade debtors		(7,389)	8,358
	Other debtors		2,025	418,892
	Prepayments and accrued income		32,560	44,658
			27,196	471,908
19	Creditors: amounts falling due within one year		2022	2021
			£	£
		Notes		
	Bank loans	21	3,153,248	690,895
	Other borrowings		-	2,719,580
	Other taxation and social security		11,320	10,831
	Government grants	22	39,869	39,869
	Trade creditors		100,960	113,602
	Other creditors		161,440	246,645
	Accruals and deferred income		359,801	320,565
			3,826,638	4,141,987
20	Creditors: amounts falling due after more than one year		2022	2021
			£	£
		Notes		
	Bank loans	21	-	3,136,934
	Government grants	22	1,664,314	1,704,182
	Other creditors		280,340	280,340
			1,944,654	5,121,456

ABBNEYFIELD SOUTHERN OAKS**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 30 SEPTEMBER 2022**21 Loans and overdrafts**

	2022	2021
	£	£
Bank loans	3,153,248	3,827,829
Loans from related parties	-	2,719,580
	<u>3,153,248</u>	<u>6,547,409</u>
Payable within one year	3,153,248	3,410,475
Payable after one year	-	3,136,934
	<u>3,153,248</u>	<u>3,136,934</u>

The amount of the bank loan repayable after five years is £nil (2021: £2,650,917).

During the year, the bank loans were converted from development loans to term loans. The term bank loans have a fixed interest rate of 1.9% over the base interest rate.

The bank loans are secured on the Society's properties.

The term loan was repaid in full on 3rd October 2022

22 Government grants

Deferred government grants represent the balance of Housing Association grants being released over the useful life in line with the asset to which they relate.

These grants may be repayable in the event that the relevant property is sold, or the Society ceases to use it for social housing, or if certain other relevant events take place, but can be rolled over into other purchases or development activities in certain circumstances. The total value of the grants awarded to the charity is £1,993,441 (2021: £1,993,441).

Deferred income is included in the financial statements as follows:

	2022	2021
	£	as restated £
Deferred income is included within:		
Current liabilities	39,869	39,869
Non-current liabilities	1,664,314	1,704,182
	<u>1,704,183</u>	<u>1,744,051</u>
Movements in the year:		
Deferred income at 1 October	1,744,051	1,783,920
Released from previous periods	(39,868)	(39,869)
Deferred income at 30 September	<u>1,704,183</u>	<u>1,744,051</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

23 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £6,311 (2021: £8,187).

24 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		Balance at
	Balance at 1 October 2020	Incoming resources	Balance at 1 October 2021	Incoming resources	30 September 2022
	£	£	£	£	£
The Old House Legacy	6,142	-	6,142	-	6,142

The ongoing Restricted Fund is the balance of a legacy left to the Society for the express use of The Old House in Ewell.

25 Unrestricted funds

	Balance at 1 October 2020	Resources expended	Transfers	Balance at 1 October 2021	Movement in funds		Balance at 30 September 2022
	£	£	£	£	Incoming resources	Resources expended	£
General fund	5,420,971	(6,782,181)	(6,869,151)	5,564,691	5,510,300	(5,452,591)	5,622,400

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

26 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			Movement in funds			Balance at
	Balance at 1 October 2020	Incoming resources	Resources expended	Balance at 1 October 2021	Incoming resources	Resources expended	30 September 2022
	£	£	£	£	£	£	£
Amenity Funds	63,009	3,004	(37,021)	28,992	7,138	(2,192)	33,938
Major Repair Reserves	348,367	85,385	-	433,752	56,923	-	490,675
Resident Transport Reserve	-	90,000	(3,848)	86,152	-	(13,663)	72,489
	<u>411,376</u>	<u>178,389</u>	<u>(40,869)</u>	<u>548,896</u>	<u>64,061</u>	<u>(15,855)</u>	<u>597,102</u>

Amenity Funds

These funds have been designated to provide additional amenities and entertainment to residents outside of core activities.

Major Repairing Reserve

It is the Trustees' opinion that funds will be required for future cyclical and major repairs in the medium and long term for their existing sheltered houses and Nonsuch Abbeyfield. Amounts previously set aside for this purpose have been carried forward as designated reserves. Amounts similar to those provided in previous years will continue to be set aside as reserves in future years.

The amounts so set aside are based on the Society's obligation to carry out such works on a continuing basis for the future maintenance of its properties, based on planned programmes of work for which grants will not be available.

Resident Transport Reserve

These funds from the bequest from Mrs Eveline Walker have been set aside with the purpose to provide transport for the residents of Abbeyfield Southern Oaks.

27 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 30 September 2022 are represented by:						
Tangible assets	7,558,355	-	7,558,355	7,843,321	-	7,843,321
Current assets/(liabilities)	1,466,258	6,142	1,472,400	4,252,179	6,142	4,258,321
Long term liabilities	(1,944,654)	-	(1,944,654)	(5,121,456)	-	(5,121,456)
	<u>7,079,959</u>	<u>6,142</u>	<u>7,086,101</u>	<u>6,974,044</u>	<u>6,142</u>	<u>6,980,186</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

28	Cash generated from operations	2022	2021
		£	£
	Surplus for the year	105,915	84,185
	Adjustments for:		
	Investment income recognised in statement of financial activities	(34,987)	(29,017)
	Loan interest paid	94,454	241,863
	Gain on disposal of tangible fixed assets	(502,872)	(637,011)
	Write off fixed asset additions	-	89,109
	Grant income receivable	(39,869)	(39,869)
	Loss/(profit) on sale of tangible fixed assets	154	-
	Depreciation and impairment of tangible fixed assets	337,797	208,757
	Movements in working capital:		
	(Increase)/decrease in stocks	(1,863)	1,124
	Decrease in debtors	444,710	948
	(Decrease) in creditors	(67,223)	(308,635)
	Cash generated from/(absorbed by) operations	336,216	(388,546)
29	Analysis of changes in net funds/(debt)	At 1 October 2021	Cash flows At 30 September 2022
		£	£
	Cash at bank and in hand	4,424,803	838,703
	Loans falling due within one year	(3,410,475)	257,227
	Loans falling due after more than one year	(3,136,934)	3,136,934
		(2,122,606)	4,232,864
			2,110,258

30 Events after the reporting date

Following the year end, on 3rd October 2022, the society made a payment of £3,153,248 against the outstanding bank loan. This repaid the full outstanding balance.

31 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

32 Social Housing Stock

The number of bed spaces excluding housekeeper & guest rooms available as Social Housing Accommodation for the year was 61 (2021: 60).

All properties are owned and managed by the Society.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

33 Contingencies

Under the terms of the Section 106 planning agreement entered into between the Society and Epsom and Ewell Borough Council the Society has committed to fund the construction of a sports pavilion at Old Schools Lane prior to 2nd January 2028. Provided that Epsom Sports Club can meet its financial obligations under the lease, the Society has an agreement to lease the pavilion to the sports club on a term that is coterminous with the lease of the playing fields.

34 Surplus/(deficit) in respect of social housing activities

	2022 £	2021 £
Income		
Rent receivable excluding service charges	286,370	243,294
Service charges	526,214	427,771
Government grants receivable	39,869	39,869
Other income in relation to the provision of services to residents in social housing	250,451	157,205
	1,102,905	868,140
Operating expenditure	-	-
Affiliation fees	(21,957)	(11,952)
Housekeeping & catering	(195,714)	(149,598)
Depreciation	(130,298)	(91,077)
Insurance	(16,216)	(16,631)
Rates & utilities	(80,922)	(69,604)
Repairs & decorations	(51,430)	(69,610)
Staff costs	(357,421)	(419,588)
Sundries	(28,862)	(22,300)
Telephone	(3,405)	(3,300)
Office expenses	(22,094)	(20,913)
Audit fee	(3,834)	(11,057)
Legal & professional	(28,705)	(10,598)
	(940,859)	(896,228)
Surplus/(deficit) for the year in respect of social housing activities	162,046	(28,089)
<i>Void losses (being rental income lost as a result of property not being let, although it is available for letting)</i>	<i>(164,548)</i>	<i>(179,634)</i>

35 Prior period adjustment

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

35 Prior period adjustment

(Continued)

Changes to the balance sheet

	At 30 September 2021		
	As previously reported	Adjustment	As restated
	£	£	£
Fixed assets			
Tangible assets	5,868,580	1,974,741	7,843,321
Creditors due within one year			
Deferred income	-	(39,869)	(39,869)
Creditors due after one year			
Deferred income	-	(1,704,182)	(1,704,182)
	<u>6,749,496</u>	<u>230,690</u>	<u>6,980,186</u>
Net assets	<u>6,749,496</u>	<u>230,690</u>	<u>6,980,186</u>
Income funds			
Unrestricted funds - general fund b/fwd	5,420,971	197,054	5,618,025
Unrestricted funds - general fund c/fwd	5,334,001	230,690	5,564,691
	<u>6,749,496</u>	<u>230,690</u>	<u>6,980,186</u>
Total funds	<u>6,749,496</u>	<u>230,690</u>	<u>6,980,186</u>

Changes to the Statement of Financial Activities

	Period ended 30 September 2021		
	As previously reported	Adjustment	As restated
	£	£	£
Donations and legacies	90,645	39,869	130,514
Charitable activities	1,478,116	6,233	1,484,349
	<u>50,549</u>	<u>33,636</u>	<u>84,185</u>
Net movement in funds	<u>50,549</u>	<u>33,636</u>	<u>84,185</u>

The historic grants received from the Housing Association were historically net against the cost of the properties to which they relate. To align with the accruals model treatment under the Housing SORP, these grants have been reclassified as deferred income, being released to income in line with the useful life of the assets to which they relate.

Accounts

ABBNEYFIELD SOUTHERN OAKS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

ABBNEYFIELD SOUTHERN OAKS

TABLE OF CONTENTS

Pages

1 - 3	Chairman's Report
4 - 12	Report of the Trustees
13 - 16	Independent Auditor's Report
17	Statement of Financial Activities
18	Balance Sheet
19	Cash Flow Statement
20 - 30	Notes to the Financial Statements

ABBNEYFIELD SOUTHERN OAKS

CHAIRMAN'S REPORT

Introduction

My second year has proved no less challenging than the first. The coronavirus pandemic continued to disrupt all our attempts to return to a more normal life. However, our staff once again rose to the challenge and managed to keep our houses largely covid free whilst continuing to provide the services and experience that our residents expect. Once again, I am grateful for the patience and understanding shown by residents, their families and friends.

Despite all the difficulties, we managed to continue our steady progress in filling Nonsuch and we expect it to be completely full by the end of the second quarter of 2022. Life has been a bit more difficult in our Supported Houses and we have had to carry a significantly larger number of vacancies than usual. However, even here there are signs that things are returning to normal with an increased level of interest. We are hopeful that the level of occupancy will rise steadily over the coming year as older people realise the benefits of the lifestyle that Abbeyfield Southern Oaks (ASO) offers. This will provide a firm financial base to support our ambition of continuing to develop a strong, cost-effective and vibrant environment for all our residents and expanding our services.

The Abbeyfield Society

There have also been significant developments in our international parent organisation – The Abbeyfield Society. There have been ongoing discussions with member societies as to how the movement should be developed and support the needs and aims of individual societies. Unfortunately, in the middle of this quite significant change programme, the then CEO, David McCulloch died suddenly. He has now been replaced by Paul Tennant who joins us from The Law Society where he has served as Chief Executive for the past five years. Prior to this the majority of Paul's career was spent in the housing sector. He was formerly President of the Chartered Institute of Housing and received an OBE in 2016 for his services to housing. We look forward to working with him and I am very happy to say that he will be visiting Nonsuch for our official opening ceremony in April 2022.

Finally, I make no apologies for repeating what I wrote in this paragraph last year as it remains as relevant now as it did then. This continues to be a challenging but exciting time for our Society. The covid virus continued to disrupt our attempts to return to a more normal operation but in spite of that a tremendous amount was achieved. We have four welcoming and comfortable Supported Houses and a state-of-the-art Independent Living development that will serve our ASO family well for many years. We have a dedicated and caring team of staff and volunteers who have the best interests at the heart of each of our residents and the communities that surround them. We believe that, with our unique offering of housing and support provided by our dedicated staff and volunteers, we offer an outstanding experience for our residents and excellent value for money..

Significant Events in 2020/21

Covid pandemic

This continued to dominate our lives. The response of our staff – from the most senior managers to the cleaners and handyman – continued to be outstanding. All of them in their own way went above and beyond the normal requirements of their jobs with the sole purpose of keeping our residents safe. I am very pleased to say that they were almost entirely successful and apart from a few isolated outbreaks of the virus which were contained and did not spread to other residents, we managed to keep our residents safe and virus free. All our staff can be rightly proud of this achievement.

ABBEYFIELD SOUTHERN OAKS

CHAIRMAN'S REPORT **(continued)**

Significant Events in 2020/21 (continued)

Nonsuch Abbeyfield

The other really tremendous achievement was increasing the occupation of Nonsuch. As I mentioned above we expect to be full by the end of the first second quarter of 2022. This was managed against the backdrop of all the restrictions and obstacles that the covid virus presented and I cannot over emphasise how big an accomplishment this was and that we have performed far better than most other companies with similar developments. The sales team was expertly led by one of our Trustees, Mary Boorman, supported by Barbara Merritt, a sales consultant with Hamptons. On the rental side, Martin King our Director of Business Operations and Jo Taylor, the Community Manager performed equally remarkably and the rental units were fully occupied in October 2021. Another tremendous achievement by the team and ASO is very grateful to them. I am happy to publicly recognise them all for this.

Board changes

The past year has seen a number of changes to our Board. John Shelton has been forced to step down due to ill health after 21 years as a Trustee. For many years he was the driving force behind Purley and the success of that house is largely due to his dedication and hard work. Janet Fisher, another Trustee with a long association with Purley, has also decided to step down after 15 years. She will however continue to take an interest in that location and will attend Operations meetings as appropriate. Bill Scott has decided to step down after 7 years as a Trustee. Bill has played a significant role in the maintenance and upkeep of our sheltered houses and I am pleased to say that we will continue to be able to call on his expertise as and when necessary. Dr John Flower has indicated that he wishes to step down at the AGM after 6 years as a Trustee. Most recently his advice and help on all matters to do with the pandemic has been invaluable. Finally, despite my best efforts to persuade him to stay on Jim Ratliff has indicated that he intends to step down with effect from the AGM. Jim has been instrumental in getting Nonsuch completed largely on time, on budget and with the quality maintained through all the various post completion defect rectifications. To all five Trustees I would like to extend our heartfelt appreciation for all your work on behalf of the charity, recognising that each of you in your own way has often gone above and beyond the normal expectations of your role. ASO would like to wish you all the best for the future.

We have already recruited one Trustee, Julie Macdonald, who is a qualified accountant with a sound understanding of the commercial, legal and business implications of structural/data issues, processes and controls. I would like to officially welcome Julie to ASO. I am pleased to report that Anne Carrington, who has a long association with Purley, has also been persuaded to return as a Trustee to fill the gap left by John Shelton. Finally, I would like to welcome Sue Moore who has joined us as Deputy Company Secretary. Sue has a wealth of experience and expertise with Boards of SMEs and not-for-profit organisations primarily supporting them in designing and implementing major change/transformation programmes. She will be assisting Margaret Angus in the thankless task of keeping the rest of the Board under control and ensuring that the governance aspects of the charity are fulfilled.

Staff Retirements

The past year has seen the retirement of two stalwarts of our staffing team in the Supported Houses. Jean Thompson, who has filled the role of House Manager at York Road for the past 16 years stepped down in 2021. I am pleased to say that she will continue to be associated with ASO and has agreed to take on the role of Team Leader for both the York Road and Mulgrave Road Houses. The other retiree was Jenny Graver who has filled the post of Relief House Manager for 22 years at both York and Mulgrave Road. She also continues to be involved with Mulgrave as a volunteer on the House Committee. The residents at both locations will sorely miss the cooking and caring skills of both. Both have the appreciation of the Board for their services and carry our best wishes for the future. They are succeeded as House Managers by Julie Glynn at York Road and Danielle Smith at Mulgrave Road.

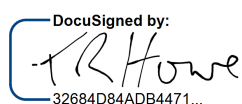
ABBEYFIELD SOUTHERN OAKS**CHAIRMAN'S REPORT****(continued)***Minibus*

Finally, we have been able to put the first minibus to increasing use. This has been acquired as a result of the generous donation from the estate of Eveline Walker, the mother of one of our Trustees, and past Chairman, Graham Walker. Again, full use has been hampered by the restrictions of the pandemic, but now, thanks to the efforts and hard work of Malcolm Wakerley, we have a rota of volunteer drivers and have managed regular trips to places such Denbies, local theatre and cinemas, and regular supermarket visits. The outings are proving very popular with our residents. We hope to expand its use in the coming year and, if demand justifies it, we are in the happy position of being able to afford a second minibus from the Eveline's donation.

Looking forward to 2021/22

The many significant challenges that I mentioned in my report last year remain. The priorities for the Board are largely the same although we are now in a position to give some greater attention to the last one now that Nonsuch has near-full occupancy.

- Maintaining a safe, secure and friendly environment for all our residents
- Returning to a more normal existence after the disruption caused by the pandemic so that we can give our residents a happy, stress-free lifestyle
- Building the occupancy in our supported houses so that they return to a more normal financial position after the pandemic
- Continue to review and embed efficient and effective systems and processes which are appropriate for the expanded operation that is now Abbeyfield Southern Oaks
- Developing the community aspects in order to provide an enhanced experience for our residents
- Continue to review the way we operate in order to find opportunities to improve efficiency and deliver even better value for money without compromising the quality of our residents' experience
- Looking at new business relationships and opportunities both within and outside the Abbeyfield movement which will enable Abbeyfield Southern Oaks to grow and adapt for the future

DocuSigned by:

32684D84ADB4471...

Tim Howe

Chairman – Abbeyfield Southern Oaks

ABBNEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

The Trustees present their report and the audited financial statements of the Society for the year ended 30th September 2021.

The year in review

Our report for the last financial year started by commenting that it had been a momentous year, with the opening of our new development at Nonsuch Abbeyfield and the bedding down of operations. In addition the need for a response to the unexpected crisis that Covid-19 created everywhere, made it incredibly difficult to serve existing residents let alone continue attracting the many new residents that our Nonsuch Abbeyfield facilities were designed for. This year has also been exceptionally challenging, due to the continuing effects of the Covid pandemic. But as explained below, by the end of the financial year there were already clear signs of 'light at the end of the tunnel' and, as this report is submitted in early 2022, that optimism is proving fully justified.

By October 2020 when this financial year started, we had already become used to Covid-19 dominating our lives, with the Staff and Trustees working tremendously hard to keep it at bay to protect all our vulnerable residents. Our four Supported Houses (previously known as Sheltered Houses) formed their own bubbles, as did Nonsuch Abbeyfield, our independent living retirement community, in order to maintain the safest possible environment for their residents. In turn, our Residents co-operated by accepting their vaccinations, when available. Our dedicated Staff in the Supported Houses worked hard to keep up morale and, together with our office team, manage the frequent changes to Covid regulations. We are thankful, but not complacent, that the only residents who caught Covid did so outside of our premises.

The fear of infection meant that initially older people stayed in their homes, becoming reluctant to move in with others. However, those who did accept the necessarily stringent admissions process soon realised how well they were looked after with no worries over food supplies or feelings of loneliness.

The value and importance of our communal living offering for older people has become even more apparent during this time of enforced restriction on the normal freedoms of daily life, and our residents have recognised and accepted the need for the constraints that we have had to put on their freedom to keep our homes as safe as possible, despite the inevitable frustrations they have created. We continue to make every effort to protect residents and staff through the ongoing pandemic.

Our mission as a charity is to enhance the lives of older people within our local community through the offer of accommodation and support services in a welcoming and supportive environment.

We aim to ensure that the total annual cost of the services provided to our residents in our rental accommodation is affordable to a wide range of individuals especially those on state benefits. We also offer accommodation at our new independent living development, Nonsuch Abbeyfield, on a long lease basis, and we have priced our accommodation and services to make available this style of living to those who are not able to afford similar offerings provided by the commercial 'for profit' market. We advertise our services to the general public through both national and local websites and other forms of communication.

Our four supported houses have continued to operate during the year benefitting from a stable staffing structure and the continuing support of committed teams of volunteers, albeit remotely due to the Covid-19 constraints which were in place for most of the year. As a direct result of those constraints, we started the year with 8 vacancies of the total capacity of 36, and ended the year with 12 vacancies. The vacant rooms are all ready for occupation and we have welcomed 3 new tenants since September and have several applicants ready for trial stays.

Nonsuch Abbeyfield has also continued to operate effectively during the year despite the Covid-19 constraints restricting the activities and services for residents, although the restaurant service has operated throughout with regular events taking place, facilitated by the residents and with support from staff and volunteers – all of course regulated in compliance with our Covid-19 policies.

ABBEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2021
(continued)

The year in review *(continued)*

At the start of the financial year 14 apartments at Nonsuch Abbeyfield were occupied (9 leaseholder and 5 affordable rentals) with 15 residents in situ. Residents continued to move in throughout the year as restrictions allowed. All but 2 of the 24 rental apartments were occupied by September 2021 with the final 2 occupied shortly afterwards. There were 24 of the 36 leasehold apartments occupied and 10 reserved at the end of the year. Sales have continued steadily since year end and only 4 are currently unoccupied with just one still unreserved. Thus, although later than we had wished, by the end of the financial year we had successfully realised the vision of creating a fine modern extra care facility that offers a true community for the occupants of the 60 units created for this purpose.

The challenge as we slowly emerge from this time of extraordinary constraints is to continue delivering the range of services at all our facilities that meet our charitable objectives set out above and so enhance the lives of all our residents.

In addition, thanks to a very generous bequest from the Walker family we have been able to purchase a 16-seater minibus. All of our residents have had the opportunity to enjoy regular visits to a variety of places of local interest, from riverside lunches to theatre trips as well as garden centre visits and shopping trips.

As of 30th September 2021 the Society had managed, through a steady flow of apartment sales, to pay off £6.4m of our loans. The distribution of sales proceeds in October 2021 completed the development loans from the Unity Trust Bank and Charity Bank, and the remaining balance of £3.25m converted to a term debt facility. Further sales in the final 3 months of 2021 allowed us to repay The Abbeyfield Society loan in full in December 2021, 4 months before the end of the loan term in April 2022.

We now have accommodation for 36 older people in our 4 supported houses and 60 apartments in Nonsuch Abbeyfield, together capable of accommodating over 100 residents. By spring 2022 we have every expectation that all the apartments at Nonsuch Abbeyfield will be occupied. The Board monitors operating contribution and has commenced a review of our supported housing portfolio to ensure it remains viable in the changing market conditions. During 2022 the Trustees will review the Society's strategy for further capacity and service growth, particularly in the light of the results of the strategic review of the wider national Abbeyfield movement that is continuing to progress in 2022.

The Board consider that they have had due regard to the Charity Commission's public benefit guidance in exercising its powers and duties during the period since its last report.

Overview of performance and financial position

The result for the year is a £51k surplus (2020: £477k deficit). This surplus includes £637k (2020: £433k) of one-off net proceeds after cost of sales and marketing expenditure in respect of sales of leasehold apartments at Nonsuch Abbeyfield. So long as our operations continue to be disrupted by the Covid-19 pandemic and increasing inflation, we cannot be confident of returning to a net operating profit in the short-term.

The underlying financial performance of our supported houses for the year was disappointing, due to voids in the year of 25.2% (2020: 16.3%). The pandemic has prevented us from replacing residents who left during the year as well as those who left at the end of last year and we ended the year with 12 vacancies (33%). However, during the first months of the new year we are receiving an increasing number of enquiries, have three new residents in occupation and are hopeful of reducing our voids to pre-pandemic levels.

ABBEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2021
(continued)

Overview of performance and financial position *(continued)*

Our lenders approved a new business plan, to September 2025, in February 2021 which rebased our position after 12 months of Covid-19. Our sales at Nonsuch Abbeyfield fell 3 short of the updated budget of 27 by September 2021, 2 of which had been made up by December 2021. The pandemic continued to impact the nominations process for the affordable rental apartments by which rental apartments at Nonsuch Abbeyfield are filled in cooperation with Epsom and Ewell Borough Council (EEBC) and we received only a few applications via this route throughout the year. We used a local estate agent to supplement the nominations process and received numerous direct applications. We had 22 tenants in place by September 2021, the updated budget was for 24, and we were full by the end of October 2021, including a second letting of one apartment.

The costs of operating our supported houses and Nonsuch Abbeyfield are largely fixed but where possible we continued to reduce costs to compensate for the lower than anticipated income.

We finalised the account with our development contractor in July 2021, agreeing £189k of Liquidated and Ascertained Damages, which we recognised this year. We hold a retention of 1.5% of the contract value, £187k, on our balance sheet in recognition of the outstanding snagging and latent defect works. In October 2021 the contractor went into liquidation, and we are working with the company nominated by the administrators, Pythagoras Capital, to justify our entitlement to this amount in full to complete the outstanding works.

The Society managed its working capital and cash flow to ensure that its financial commitments were met during the year. Our balance sheet continues to be strong with significant property assets and good cash reserves. We are working hard to manage our cost base to maintain these balances whilst our income growth has been hindered due to the pandemic. Our aim is to consider new projects in the future at a pace in line with the Board's approach to risk.

We have a clear understanding of our financial return and performance. We manage our finances to invest in the right assets, improve voids management, deliver savings through operational efficiency, and improve systems. We benchmark our services within and outside the Abbeyfield community and look for savings in procurement.

Future financial performance and the value of properties held for resale

At this time, we still face uncertainty of the full effect of Covid-19 on the UK economic outlook but are already being impacted by the increase in utility costs and high rises in the cost of other supplies and services.

In the face of this uncertainty and given the substantial cash resources that the Society holds, Trustees are confident that the cost-based value of properties held for resale shown in the accounts is reasonable.

Legacies and Donations

Legacies and charitable donations received for the year were £90,645 (2020: £1,430). Thanks are due to all donors, and particularly to Mrs Walker whose bequest allowed us to purchase a minibus.

The Society made no political donations during the year.

ABBNEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2021
(continued)

Capital Structure

The Society is financed from retained surpluses, part of which have arisen through receipt of generous legacies and donations. The Society, because of its legal form, is unable to raise equity funding.

Employees

The number of full-time equivalent employees ("FTEs") has increased from last year. As of 30th September 2021, the total number of FTE employees the Society had was 14.5 (2020: 12).

The Society shares information on its objectives, progress and activities through the regular office and team meetings involving Board members, volunteers and staff.

The Society is committed to the principles of diversity and equality regardless of age, gender, ethnicity, race, disability, religion, gender re-assignment or sexual orientation. These principles are reflected in the Society's approach to the recruitment, development and promotion of staff.

Health and safety

The Society is aware of its responsibilities on matters relating to health and safety. The Society has prepared detailed health and safety policies and provides training and education to our staff on health and safety matters.

There were no RIDDOR reportable Health and Safety incidents in the year ended 30th September 2021.

Reserves

The Board's policy is to retain such reserves as in the Board's judgment are adequate to cover for contingencies in meeting essential services. These include:

- Day-to-day expenditures, including a contingency for any large unforeseen items.
- Funding for development projects.
- Major repairs and renewals expenditures needed on the Society's operating properties.

After transfer of the surplus for the year of £51k (2020: £477k deficit), and other transfers at the year-end, revenue reserves increased to £6,749k (2020: £6,699k), including restricted reserves of £6.1k (2020: £6.1k).

Treasury management

The Society's financial resources consist mainly of cash and bank deposits. The Society holds sufficient funds to meet day to day requirements and, in line with its strategy, agreed development loans originally totalling £12.9 million to fund the Nonsuch Abbeyfield development; a £5 million loan from The Abbeyfield Society and a development loan of £7.9 million with Charity Bank and Unity Trust Bank. The bank facilities were arranged in 2017 and the unpaid amounts at the end of the year totalled £6.5 million and are secured on the Society's assets and subject to certain bank covenant tests which are reviewed at all Board meetings.

The Society invests surplus funds in interest-bearing deposit accounts.

In line with Government guidance, the Society's policy is to pay purchase invoices within 30 days of receipt, or earlier if agreed with the supplier.

ABBEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2021
(continued)

Cash flow and liquidity and Security

The statement of cash flows on page 19 of the financial statements shows that during the year the Society generated net cash outflow from operating activities of £389k (2020: £464k). This is after receiving £91k of donations.

The total liquidity available to the Society from the original £12.9 million from The Abbeyfield Society and The Charity/Unity Bank (The Banks) facilities is £2.7 million and £3.8 million respectively as at 30th September 2021. As of 30th September 2021, all the assets of the Society were charges against the lines of credit provided by The Banks and The Abbeyfield Society.

Going concern

The board is satisfied that it has adequate resources to continue in operational existence for the foreseeable future and accordingly continues to adopt the going concern basis of accounting.

Strategic Review

During 2019, The Abbeyfield Society initiated a review of the Strategy for the future focus and development of the Abbeyfield community of societies. The aim of the review is to ensure that it is up to date and relevant in the current social and economic climate. The Board is participating in these discussions and will be reviewing its own strategy and plans considering its findings in the coming year.

Risk Management

The Board continues to strengthen the risk management process, to ensure that it can adequately monitor and control all significant risks. The Board continually seeks to improve the risk management process, creating the Audit and Risk Assurance Committee in March 2020 to provide ongoing regular oversight of these important areas.

The board maintain a risk map which ranks risk and identifies the actions to reduce these risks. These risks and actions are monitored by the Audit and Risk Assurance Committee and the Board.

Value for Money

The Regulator for Social Housing (RSH) issued a new Value for Money Standard in April 2017. The Society recognises the importance of these Standards on its regulated housing provision. However, Supported Housing only represents part of the Society's revenue with the rest being made up of support services for our residents.

The strategy for The Society is currently based on maintaining the performance of its four supported houses and expanding its capabilities to operate the independent living with care operation at Nonsuch Abbeyfield. Once the results are available from the ongoing strategic review of the Abbeyfield movement by The Abbeyfield Society, the Board will update the Society's strategy to reflect the changed circumstances in which it will then be operating.

Once the Covid-19 situation has been contained and normal life has become possible again, the Operating contribution from Supported Housing is expected to be restored. However, the overall operating contribution of the Society will be lower due to both the significant adverse effects of Covid on occupancy rates in the Supported Houses as described above, and the start-up costs of the new development:

ABBEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2021
(continued)

Value for Money *(continued)*

- During the period when leasehold apartments in Nonsuch Abbeyfield are being marketed, sales and marketing costs will negatively impact on the Society operating contribution. As leasehold apartments are sold, profit on sale will generate a positive return.
- Now we are largely through the start-up phase the costs of developing and implementing services for Nonsuch Abbeyfield will have a reducing negative impact on operating margins.

During 2020/21 the focus was on building up the occupancy at Nonsuch Abbeyfield and reducing the vacancies of the supported houses whilst also developing a viable cost structure for managing the society's activities and coping with a pandemic. During 2021/22 the focus will be on reviewing our future growth strategy and governance whilst maintaining a high rate of occupancy and resident satisfaction.

Operational effectiveness and VFM are managed by the Management Committee. Two trustees work together to direct and oversee the Society's financial management and the development of enhanced management information.

Governance

Abbeyfield Southern Oaks was established on 6th September 1962 under a Memorandum and Articles of Association which set out its objects, powers, and governance arrangements.

The Society is a registered charity, a registered housing association a company limited by guarantee which does not have a share capital. Every member of the Society undertakes to contribute an amount not exceeding £1 to the assets of the Society in the event of winding up. The total number of such members at 30th September 2021 was 48 (2020: 47).

The Board recognises the importance of good governance and, in view of the increase in its operational size this year, has reviewed its governance arrangements to reset them for the next phase of the Society's development. The Board's review was conducted with reference to the 3rd edition of The Charity Governance Code (for larger charities) published in July 2017, with the support and endorsement of the Charities Commission, and The Governance and Financial Viability Code of Practice, published by the Homes and Communities Agency in April 2015.

The Board is satisfied that its governance arrangements are currently compliant with the principles of the Charity Commission's Guidelines and will publish summary details of them in next year's annual report once the current review has been completed.

Reference and administrative information

Charity registration number	247308
Company registration number	00734705
Regulator of Social Housing number	H1185
Registered Office	Nonsuch Abbeyfield Old Schools Lane Ewell, Epsom Surrey KT17 1FL
Operational address	Nonsuch Abbeyfield Old Schools Lane Ewell, Epsom Surrey KT17 1FL

ABBNEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2021
(continued)

Trustees

The following individuals have served as Trustees and Directors of the Society during the period from 1st October 2020 to the date of this report:

	Date of Appointment/ Resignation	Office Held
Margaret Angus	App. 21.06.2021	Society Secretary
Mary Boorman		Sales & Marketing
Anne Carrington		House Team Leader/Volunteers
Dr John Flower		Honorary Medical Adviser
Timothy Howe		Society Chair
Dr Andrew Hoy		Honorary Medical Adviser/Nonsuch Team Leader
Nigel Macdonald	Resig. 20.07.21	Audit & Risk Assurance Committee Chair
Lynette Maggs		House Team Leader
Maurice Pagella		Deputy Chair of the Society/Development Finance
Jim Ratliff		Nonsuch Development, Covid-19 Lead
John Shelton		House Team Leader
Nick Shore		Operations Committee Chair
Dr Malcolm Wakerley, OBE	Resig. 21.06.2021	House Team Leader
Graham Walker, LVO		Strategic Development
Janet Fisher	Resig. 21.06.2021	Maintenance Projects
Bill Scott	Resig. 21.06.2021	
Julie Macdonald	App. 06.12.2021	

In accordance with the Memorandum and Articles of Association, re-elections will be established at the Annual General Meeting, which will be held at 4.00 pm on 14 March 2022.

Bankers and other advisers

Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
	Unity Trust Bank Nine Brindley Place Birmingham B1 2HB
Auditor	FLB Accountants LLP 250 Wharfedale Road Winnersh Triangle Wokingham Berkshire RG41 5PT

ABBNEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2021
(continued)

Bankers and other advisers (continued)

Solicitors	<i>Development</i> Trowers & Hamlins LLP 3 Bunhill Row London EC1Y 8YZ
	<i>Property Sales</i> Galloway Hughes 46 High Street Esher Surrey KT10 9QY
Property Sales Agent	Hamptons International 145 High Street Epsom Surrey KT19 8EH

Responsibilities of the Trustees

The Trustees (who are also directors of Abbeyfield Southern Oaks for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ABBNEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2021
(continued)

Responsibilities of the Trustees *(continued)*

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

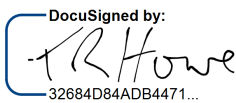
FLB Accountants LLP have indicated their willingness to continue in office as auditor and a resolution dealing with their re-appointment will be put to the members at the next Annual General Meeting.

Reporting provisions

The report of the Trustees has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities and in accordance with the provisions applicable to companies entitled to the small company exemption.

Approval

The report of the Trustees was approved by the Board on 14 March 2022 and signed on its behalf by the Chairman of the Society:-

DocuSigned by:

32684D84ADB4471...

Tim Howe

Chairman – Abbeyfield Southern Oaks

Nonsuch Abbeyfield,
Old Schools Lane, Ewell
Epsom, Surrey
KT17 1FL

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS**
YEAR ENDED 30TH SEPTEMBER 2021**OPINION**

We have audited the financial statements of Abbeyfield Southern Oaks ('the Charity') for the year ended 30th September 2021 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 30th September 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS****YEAR ENDED 30TH SEPTEMBER 2021****(continued)****OTHER INFORMATION *(continued)***

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the Trustees' responsibilities statement set out on pages 11 and 12, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS****YEAR ENDED 30TH SEPTEMBER 2021****(continued)****OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We have gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures at charity levels to respond to the risk, recognising that risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the companies Act 2006, taxation legislation, financial authority regulation, data protection, anti-bribery and health and safety legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included inquiries of management their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS****YEAR ENDED 30TH SEPTEMBER 2021****(continued)****USE OF OUR REPORT**

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity'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 Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Daniel Faust

0A4E7D01C40F40C...

Daniel Faust (Senior Statutory Auditor)
for and on behalf of FLB Accountants LLP,
Statutory Auditor
250 Wharfedale Road
Winnersh Triangle
Wokingham
Berkshire
RG41 5TP

Date: 14 March 2022

ABBNEYFIELD SOUTHERN OAKS

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

	Notes	<u>2021</u> £	<u>2020</u> £
INCOME			
Donations and legacies		90,645	1,430
Charitable activities			
Grants receivable and income from residents	3	965,566	646,243
Other trading activities	4	48,341	7,004
Investment income	5	29,017	27,248
Other income	6	<u>5,827,000</u>	<u>3,167,528</u>
TOTAL INCOME		<u>6,960,569</u>	<u>3,849,453</u>
EXPENDITURE			
Raising funds	7	53	2,923
Charitable activities			
Direct costs	8(a)	1,110,077	905,868
Support costs	8(b)	351,269	350,487
Governance costs	8(c)	16,770	9,126
Other costs	9	<u>5,431,851</u>	<u>3,058,002</u>
TOTAL EXPENDITURE		<u>6,910,020</u>	<u>4,326,406</u>
Net movement in funds for the year		50,549	(476,953)
Fund balance brought forward		<u>6,698,947</u>	<u>7,175,900</u>
Fund balance carried forward		<u>6,749,496</u>	<u>6,698,947</u>

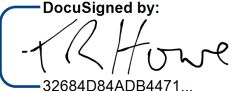
The notes on pages 20 to 30 form part of the financial statements.

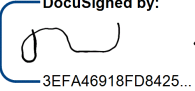
ABBNEYFIELD SOUTHERN OAKS**BALANCE SHEET**
30TH SEPTEMBER 2021

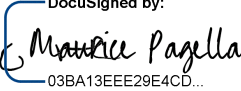
	<u>Notes</u>	<u>2021</u>	<u>2020</u>
		<u>£</u>	<u>£</u>
FIXED ASSETS			
Tangible assets	12	5,868,580	6,106,377
CURRENT ASSETS			
Stock		6,473	7,597
Properties under development for resale		3,497,124	8,673,182
Debtors	13	471,908	81,787
Cash at bank and in hand		<u>4,424,803</u>	<u>4,475,636</u>
		8,400,308	13,238,202
CREDITORS: amounts falling due within one year	14	<u>4,102,118</u>	<u>1,000,278</u>
NET CURRENT ASSETS		<u>4,298,190</u>	<u>12,237,924</u>
		10,166,770	18,344,301
CREDITORS: amounts falling due after more than one year	15	<u>3,417,274</u>	<u>11,645,354</u>
NET ASSETS		<u>6,749,496</u>	<u>6,698,947</u>
		=====	=====
CAPITAL AND RESERVES			
Accumulated funds			
Unrestricted	16	6,743,354	6,692,805
Restricted	17	<u>6,142</u>	<u>6,142</u>
		<u>6,749,496</u>	<u>6,698,947</u>
		=====	=====

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The financial statements were approved by the Trustees on 14 March 2022 and signed on its behalf by:-

DocuSigned by:

 32684D84ADB4471...
 T. Howe

DocuSigned by:

 3EFA46918FD8425...
 N. Shore

DocuSigned by:

 03BA13EEE29E4CD...
 M. Pagella

The notes on pages 20 to 30 form part of the financial statements.

ABBNEYFIELD SOUTHERN OAKS**STATEMENT OF CASH FLOWS****30TH SEPTEMBER 2021**

	Notes	<u>2021</u> £	<u>2020</u> £
Net cashflow from operating activities	19	(388,546)	(464,293)
Cash flows from investing activities			
Investment income		29,017	27,248
Proceeds from the sale of development properties		5,422,000	3,160,500
Purchase of fixtures, fittings and equipment		(53,836)	(1,105,592)
Costs of development		—	(1,611,023)
Net cash flow from investing activities		<u>5,397,181</u>	<u>471,133</u>
Cash flows from financing activities			
Repayment of borrowing from The Abbeyfield Society		(1,926,720)	(353,700)
Cash (outflow) inflow from bank loans		(2,890,885)	4,368,714
Interest paid on borrowings		(241,863)	(296,437)
HCA grant received		-	447,486
Payments regarding Old Salesians liability		—	<u>64,684</u>
Net cash flow from financing activities		<u>(5,059,469)</u>	<u>4,230,747</u>
Changes in cash and cash equivalents for the year		(50,833)	4,237,587
Cash and cash equivalents at beginning of year		<u>4,475,636</u>	<u>238,049</u>
Cash and cash equivalents at end of year		<u>4,424,803</u>	<u>4,475,636</u>

+

The notes on pages 20 to 30 form part of the financial statements.

ABBEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

1. STATUS AND ACTIVITIES OF THE SOCIETY

Abbeyfield Southern Oaks is a registered charity (No. 247308), a registered housing association (No. H1185) and a company limited by guarantee (No. 00734705) which does not have a share capital. The Society is wholly engaged in social housing activities as defined in the Housing and Regeneration Act 2008.

The Society is associated by name and objects with, and is an associated member of, The Abbeyfield Society, which provides guidance, co-ordination, initiative, development and representation to independent Abbeyfield Societies throughout the United Kingdom.

Since its formation, the objects of the Society have been to carry on for the benefit of the community the provision and management of housing for letting for the support and care of older people of all classes exposed to the disabilities of old age, or otherwise being in need.

The Society operates five Abbeyfield houses at 2 Purley Knoll, Purley, Surrey CR8 3AE, 82 York Road, Cheam, Surrey SM2 6HJ, 82 Mulgrave Road, Sutton, Surrey SM2 6LZ, The Old House, Epsom Road, Ewell, Surrey KT17 1JZ and Nonsuch Abbeyfield, Old Schools Lane, Ewell, Surrey KT17 1FL.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019 and with the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Preparation of the accounts on a going concern basis

The financial statements have been prepared on the going concern basis which assumes that the Society will continue in operational existence for period of at least 12 months following the approval of these financial statements.

Whilst the economy is currently facing unprecedented circumstances due to the impacts of Covid-19, the Society continue to generate revenues letting of freehold properties and proceeds from sales of flats. Furthermore, the trustees consider the society to be able to withstand potential impacts on operations due to the significant reserves of the society and available financial headroom. As such, the trustees consider it appropriate to prepare the financial statements on the going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

(continued)

2. ACCOUNTING POLICIES *(continued)*

Fund structure

Unrestricted general funds are available to be used in accordance with the charitable objects at the discretion of the trustees. Designated funds are unrestricted funds which the Trustees have decided, at their discretion, to set aside for a specific purpose. Restricted funds are donations which the donor has specified are to be used solely for particular purposes.

Income recognition

All incoming resources are recognised in the period in which the Society is entitled to receipt and the amount can be measured with reasonable certainty.

Where income is received in advance of meeting any performance related conditions and there is not unconditional entitlement to the income, its recognition is deferred and included in creditors as deferred income until the performance conditions are met.

Donations and other gifts are accounted for at the date they are received. Gifts in kind are included at valuation at the date of gifting. Any related tax recoverable on donations received is accounted for when due.

Income consists of rents from residents of supported houses and independent living, fundraising and sales of flats. Interest income is recognised using the effective interest rate method.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

The cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of time spent and other relevant factors attributable to each activity.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Housing land and buildings are stated at cost less accumulated depreciation and grants receivable.

Depreciation is calculated on a straight line basis at the following annual rate in order to write off the asset over its estimated useful life:

Freehold land and buildings	over 50 years
Fixtures, fittings equipment	over 3 to 10 years
Motor vehicle	over 3 to 10 years

Freehold land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, of if there is an indication of a significant change since the last reporting date.

ABBEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2021
(continued)

2. ACCOUNTING POLICIES *(continued)*

Tangible fixed assets *(continued)*

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to in the statement of financial activities.

Social housing grant

The Society is in receipt of Social Housing Grants, formerly called Housing Association Grants (HAG). Where developments have been wholly or partially funded by such grants, the cost of these developments has been reduced by the value of the grant received. The value of the grant is disclosed as a separate item. These grants may be repayable in the event that the relevant property is sold, or the Society ceases to use it for social housing, or if certain other relevant events take place, but can be rolled over into other purchase or development activities in certain circumstances.

Properties under development for resale

Property in the course of development and completed units are valued at the lower of cost and net realisable value. Direct cost comprises the cost of land, raw materials and development costs but excludes indirect overheads. Provision is made, where appropriate, to reduce the value of Properties under development and work in progress to their net realisable value.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Financial instruments

A financial asset or financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities, including creditors and bank loans that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

(continued)

2. ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

Cash and cash equivalents

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which payment is made.

3. INCOME FROM CHARITABLE ACTIVITIES

Grants receivable and income from residents charges.

	<u>2021</u>	<u>2020</u>
	£	£
Income receivable from letting of units	1,095,982	729,879
<u>Less:</u> vacancies and void losses	(179,634)	(113,636)
	916,348	616,243
Other income	49,218	-
Grants receivable	-	30,000
	<u>965,566</u>	<u>646,243</u>

No specific charge is made for services within residents' charges.

4. INCOME FROM OTHER TRADING ACTIVITIES

	<u>2021</u>	<u>2020</u>
	£	£
Other services	48,341	7,004
	<u>48,341</u>	<u>7,004</u>

5. INVESTMENT INCOME

	<u>2021</u>	<u>2020</u>
	£	£
Bank and short term deposits – gross	4,017	2,248
Income from investment property	25,000	25,000
	<u>29,017</u>	<u>27,248</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

(continued)

6. OTHER INCOME

	<u>2021</u>	<u>2020</u>
	£	£
Sundry other income	-	7,028
Proceeds from sale of flats	5,827,000	3,160,500
	<u>5,827,000</u>	<u>3,167,528</u>

7. COST OF RAISING FUNDS

	<u>2021</u>	<u>2020</u>
	£	£
Fundraising costs	53	2,923
	<u>53</u>	<u>2,923</u>

8. EXPENDITURE ON CHARITABLE ACTIVITIES

	<u>2021</u>	<u>2020</u>
	£	£
a) Direct costs		
Food and household	133,554	86,122
Staff costs	240,800	207,909
Repairs and redecorations	120,556	76,734
Security	-	42,202
Rates and utilities	172,091	125,660
Insurance	24,552	21,879
Telephone	19,942	3,906
Catering costs	144,044	63,838
Affiliation fees	11,952	-
Sundries	40,227	4,400
Depreciation	<u>202,359</u>	<u>273,218</u>
	<u>1,110,077</u>	<u>905,868</u>
b) Support costs		
Staff costs	274,596	178,003
Affiliation fees – The Abbeyfield Society	-	21,588
Advertising and marketing	-	319
Office expenses	47,041	63,305
Depreciation	165	165
Legal and professional fees	22,391	65,485
Freelance director	-	18,425
Miscellaneous expenses	<u>7,076</u>	<u>3,197</u>
	<u>351,269</u>	<u>350,487</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

(continued)

8.	EXPENDITURE ON CHARITABLE ACTIVITIES <i>(continued)</i>	<u>2021</u>	<u>2020</u>
		£	£
	c) Governance costs		
	Audit fee	15,873	10,000
	Miscellaneous	351	(1,824)
	Insurance	<u>546</u>	<u>950</u>
		<u>16,770</u>	<u>9,126</u>
		=====	=====
9.	OTHER COSTS	<u>2021</u>	<u>2020</u>
		£	£
	Developments costs		
	Development costs written off	2,470	61,366
	Sales and marketing	159,253	78,748
	Financial arrangement and professional fees	(3,723)	92,113
	Loan interest	241,862	296,437
	Staff costs	-	52,564
	Office expenses	-	92,653
	Reversal of capital overprovision – prior year	-	(215,506)
	Development costs for flats sold	5,031,989	2,594,878
	Miscellaneous expenses	<u>-</u>	<u>4,749</u>
		<u>5,431,851</u>	<u>3,058,002</u>
		=====	=====
10.	STAFF COSTS (including officers)	<u>2021</u>	<u>2020</u>
		£	£
	Salaries	466,113	407,334
	Social security costs	39,737	25,566
	Pension contributions	<u>8,187</u>	<u>5,576</u>
		<u>514,037</u>	<u>438,476</u>
		=====	=====
	Accounted for as:		
	Charitable activities - direct costs	240,600	207,909
	Charitable activities - support costs	273,437	178,003
	Development costs - charged to expenses	<u>-</u>	<u>52,564</u>
		<u>514,037</u>	<u>438,476</u>
		=====	=====

Two employee received emoluments of more than £60,000.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

(continued)

10. STAFF COSTS (including officers) (continued)

The average number of employees during the year was as follows:-

	<u>2021</u>	<u>2020</u>
Office	4	5
Social housing staff	<u>14</u>	<u>14</u>
	<u>18</u>	<u>19</u>

11. TAXATION

The Society is exempt from corporation tax on its charitable activities. However, it is registered for VAT.

12. TANGIBLE FIXED ASSETS

	<u>Freehold operating properties £</u>	<u>Fixtures, fittings & equipment £</u>	<u>Motor vehicle £</u>	<u>Total</u>
Cost/valuation				
At 1.10.2020	7,257,136	1,247,480	-	8,504,616
Additions	13,381	25,575	14,880	53,836
Adjustment/ disposals	(68,170)	(20,939)	<u>-</u>	(89,109)
At 30.9.2021	<u>7,202,347</u>	<u>1,252,116</u>	<u>14,880</u>	<u>8,469,343</u>
Housing Association Grant				
At 1.10.2020 and at 30.9.2021	<u>1,993,441</u>	<u>-</u>	<u>-</u>	<u>1,993,441</u>
Depreciation				
At 1.10.2020	258,833	145,965	-	404,798
Charge for year	<u>78,094</u>	<u>121,454</u>	<u>2,976</u>	<u>202,524</u>
At 30.9.2021	<u>336,927</u>	<u>267,419</u>	<u>2,976</u>	<u>607,322</u>
Net book value				
At 30.9.2021	<u>4,871,979</u>	<u>984,697</u>	<u>11,904</u>	<u>5,868,580</u>
At 30.9.2020	<u>5,004,862</u>	<u>1,101,515</u>	<u>-</u>	<u>6,106,377</u>

The valuation of freehold operating properties brought forward shown above of £7,257,136 (2020: £2,200,000) includes £1,718,621 (2020: £440,000) attributed to the land element of the properties as estimated by the Trustees. The freehold operating properties brought forward are in line with trustees estimates of value on an ongoing basis of current use.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

(continued)

13. DEBTORS

	<u>2021</u>	<u>2020</u>
	£	£
Trade debtors	8,359	22,928
VAT recoverable	13,407	-
Sundry debtors	405,484	17,528
Prepayments	<u>44,658</u>	<u>41,331</u>
	471,908	81,787
	=====	=====

14. CREDITORS: amounts falling due within one year:

	<u>2021</u>	<u>2020</u>
	£	£
Bank loans	690,895	-
Loan from The Abbeyfield Society	2,719,580	-
Trade creditors	113,602	119,173
Taxes and social security costs	10,831	34,672
Other creditors	246,645	592,228
Accruals and deferred income	<u>320,565</u>	<u>254,205</u>
	4,102,118	1,000,278
	=====	=====

15. CREDITORS: amounts falling due after more than one year:

	<u>2021</u>	<u>2020</u>
	£	£
Loan from The Abbeyfield Society	-	4,646,300
Bank loans	3,136,934	6,718,714
Other creditors	<u>280,340</u>	<u>280,340</u>
	3,417,274	11,645,354
	=====	=====

The amount of the bank loan repayable after five years is £2,650,917 (2020: £3,341,812).

As at 6th October 2021, the bank loans, included both in creditors falling due within one year (Note 14) and after more than one year, have converted from development loans to term loans. The term bank loans have a fixed interest rate of 2.9% over the base interest rate. Both principal and interest accruing of the term loans are repayable on a monthly instalment from 6 October 2021 with a substantial final instalment due to be repaid by 12 September 2031. The bank loans are secured on the Society's properties.

The loan from The Abbeyfield Society is secured on the properties. It has a fixed annual interest rate of 2.25%. It was repaid in full in December 2021.

ABBEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

(continued)

16. ACCUMULATED FUNDS - UNRESTRICTED

	Amenity Funds	Major Repairing Reserve	Property Revaluation Reserve	Resident Transport Reserve	General Fund	Total
	£	£	£	£	£	£
Balance at 1.10.2020	63,009	348,367	860,458	-	5,420,971	6,692,805
Income	3,004	85,385	-	90,000	6,782,181	6,960,569
Expenditure	<u>(37,021)</u>	<u>-</u>	<u>-</u>	<u>(3,848)</u>	<u>(6,869,151)</u>	<u>(6,910,020)</u>
Balance at 30.9.2021	28,992	433,752	860,458	86,152	5,334,001	6,743,354
	=====	=====	=====	=====	=====	=====
Summary of Net Assets by Fund:						
Fixed assets	-	-	860,458	-	5,008,122	5,868,580
Net current assets/(liabilities)	28,992	433,752	-	86,152	3,743,152	4,292,047
Long term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,417,273)</u>	<u>(3,417,273)</u>
	28,992	433,752	860,458	86,152	5,334,001	6,743,354
	=====	=====	=====	=====	=====	=====

Amenity Funds

These funds have been designated to provide additional amenities and entertainment to residents outside of core activities.

Major Repairing Reserve

It is the Trustees' opinion that funds will be required for future cyclical and major repairs in the medium and long term for their existing sheltered houses and Nonsuch Abbeyfield. Amounts previously set aside for this purpose have been carried forward as designated reserves. Amounts similar to those provided in previous years will continue to be set aside as reserves in future years.

The amounts so set aside are based on the Society's obligation to carry out such works on a continuing basis for the future maintenance of its properties, based on planned programmes of work for which grants will not be available.

Resident Transport Reserve

These funds from the bequest from Mrs Eveline Walker have been set aside with the purpose to provide transport for the residents of Abbeyfield Southern Oaks.

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

(continued)

17. ACCUMULATED FUNDS - RESTRICTED

	£
Balance at 1.10.2020 and at 30.9.2021	6,142
	=====
Summary of Net Assets by Fund:	
Net current assets	6,142
	=====
The ongoing Restricted Fund is the balance of a legacy left to the Society for the express use of The Old House in Ewell.	

18. SOCIAL HOUSING STOCK

	Units in management	
	30.9.2021	30.9.2020
Social Housing Accommodation		
Number of bed spaces, excluding housekeeper and guest rooms	60	60
	=====	=====

19. CASH GENERATED FROM OPERATIONS

	<u>2021</u> £	<u>2020</u> £
Net movement in funds for the year	50,549	(476,953)
Adjustments for:		
Depreciation of tangible assets	202,524	273,383
Gain on properties developed for resale	(637,011)	(565,622)
Write off of fixed asset additions	89,109	-
Loan interest paid	241,863	296,437
Investment income	(29,017)	(27,248)
	(132,532)	(23,050)
Changes in:		
Stock	1,124	(7,597)
Other debtors	948	(13,057)
Other creditors	(308,635)	56,364
	(306,563)	35,710
Net cashflow from operating activities	(388,546)	(464,293)
	=====	=====

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2021
(continued)

20. LEGAL CHARGES

Under the terms of loan agreements with Unity Trust Bank, Charity Bank and The Abbeyfield Society, arranged to finance the development of the Nonsuch Abbeyfield community, the assets of the Society have been charged under senior debt fixed and floating charges to Unity Trust and Charity Banks, with a secondary charge in favour of The Abbeyfield Society.

21. CONTINGENCIES

Under the terms of the Section 106 planning agreement entered into between the Society and Epsom and Ewell Borough Council the Society has committed to fund the construction of a sports pavilion at Old Schools Lane prior to 2nd January 2028. Provided that Epsom Sports Club can meet its financial obligations under the lease, the Society has an agreement to lease the pavilion to the sports club on a term that is coterminous with the lease of the playing fields.

22. COMPANY LIMITED BY GUARANTEE

Every member of the Society undertakes to contribute an amount not exceeding £1 to the assets of the Society in the event of winding up.