

ABBNEYFIELD SOUTHERN OAKS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

ABBNEYFIELD SOUTHERN OAKS

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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 He has now been replaced by Paul Tennant who joins us from The Law Society where he has served as Chief Executive for the past five years.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.

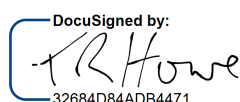
ABBNEYFIELD SOUTHERN OAKS**CHAIRMAN'S REPORT****(continued)***Minibus*

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

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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.

ABBNEYFIELD 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

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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

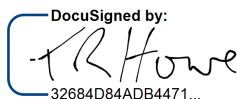
FLB Accountants LLP have indicated their willingness to continue in office as auditor and a resolution dealing with their re-appointment will be put to the members at the next Annual General Meeting.

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:-

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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

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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>

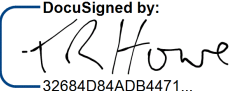
The notes on pages 20 to 30 form part of the financial statements.

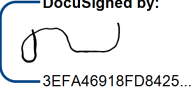
ABBNEYFIELD SOUTHERN OAKS**BALANCE SHEET**
30TH SEPTEMBER 2021

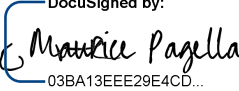
	<u>Notes</u>	<u>2021</u>	<u>2020</u>
		<u>£</u>	<u>£</u>
FIXED ASSETS			
Tangible assets	12	5,868,580	6,106,377
CURRENT ASSETS			
Stock		6,473	7,597
Properties under development for resale		3,497,124	8,673,182
Debtors	13	471,908	81,787
Cash at bank and in hand		<u>4,424,803</u>	<u>4,475,636</u>
		8,400,308	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:-

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 T. Howe

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 N. Shore

DocuSigned by:

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 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		-	64,684
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>

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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

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>
	<u>471,908</u>	<u>81,787</u>

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>
	<u>4,102,118</u>	<u>1,000,278</u>

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>
	<u>3,417,274</u>	<u>11,645,354</u>

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.