

**ABBNEYFIELD SOUTHERN OAKS REPORT**  
**AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

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**MAURICE ANDREWS**  
**Chartered Accountants**  
**Global House**  
**1 Ashley Avenue**  
**Epsom**  
**Surrey KT18 5FL**

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**ABBNEYFIELD SOUTHERN OAKS**

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## **ABBEYFIELD SOUTHERN OAKS**

### **CHAIRMAN'S REPORT**

#### **Important progress on Development Programme**

On 10 February 2020, our management team moved into their new offices in Nonsuch Abbeyfield. In mid to late March 2020 we expect our first residents to start moving into the new building. By the end of March 2020 both of our committed interim managers (Heather Northey and Michael Brent) will have moved on to pastures new and our new Director of Business and Operations, Alex Bradbury, will have assumed full responsibility for leading and managing all our operations. On 5 March 2020 our new Chairman, Tim Howe, will take over the reins of the Board of Trustees. I am available to remain a Trustee for the next year or two, to help ensure continuity during an important period of change.

Over the next couple of years, we can expect Nonsuch Abbeyfield to become fully occupied, with a positive and supportive ethos developing within its community. Our staff and volunteers will be working with the residents of our sheltered houses so that they too will benefit from the resources that we can now enjoy in Nonsuch Abbeyfield. We will also be working with others to research and develop new ways of providing pastoral and other support to older people living in the wider communities surrounding all our houses.

Just to remind you, Nonsuch Abbeyfield will accommodate about 80 residents in 60 comfortable and spacious one and two-bedroom flats. The accommodation is supported by carefully considered communal spaces and enthusiastic staff and volunteers. These spaces include a garden, a bistro restaurant, a lounge and quiet room, a fitness suite, a cinema room, a club room and a guest suite. There is also a communal laundry room and mobility scooter storage and charging unit, and there will be a hair salon and a small shop.

This is an exciting time for our Society. We have four great houses and a state-of-the-art development that can serve our ASO family well for many years. We have dedicated and caring teams of managers and volunteers who have the best interests at the heart of each of our residents and the communities that surround them. We start the new year with a blank canvas available to us all, on which we can and must paint an inspiring future.

#### **Achievements in 2018/19**

##### *Sheltered housing*

The residential communities of our sheltered houses finished the year in a healthy state. As ever, there have been activity programmes offered to the residents of all our houses. Outings or outdoor events during the year included garden parties in Purley and Epsom, visits to Painshill gardens, the Thames at Richmond, garden centres, and trips to various pubs and restaurants. Animals featured on the 2019 agenda, with "Pet Therapy" at the Old House and a new aquarium being fitted and much loved at York Road. The occasional "games evenings" are proving of interest to many residents of some of our houses.

Our four house managers have all been in place for over a year now, and they are all enjoying the backup and support of a stable complement of relief managers and cleaning staff. Our Sheltered Housing Operations manager, Jo Taylor, has successfully promoted both closer working between the house managers and more inter-house activities and interchange. Our house volunteers have all remained committed and active throughout the year, although more must be done in renewing and growing our volunteer resources.

Investments continue to be made in our assets with the fitting of CCTV and Assistive technologies (Alexa), and the completion of the en-suite programme to upgrade all the accommodation we have where this is feasible. Occupancy rates were not as good as hoped for, due both to higher than normal departures and an uncertain housing market, but we have reasons to believe that this will improve in 2020.

## *Nonsuch Abbeyfield*

We expect over 70 residents to move into Nonsuch Abbeyfield over the next two years. Over 46 of these will be leaseholders buying their own retirement homes; 24 will be individuals nominated by the local borough and Surrey County councils. Given the current uncertainties of the market, progress to date has been satisfactory in securing leaseholder commitments and the Councils are now actively engaged in drawing up their nominations.

Subject only to a 4-month slippage in the original 21-month construction timetable, we have successfully achieved all the developmental objectives that I summarised in my report last year. We are in discussions with our contractor regarding the accountabilities for, and costs attributable to these programme delays, and do not anticipate the outcome of these talks having any material impact on our business plan for the new community.

The Trustees responsible for the oversight of this development programme have met on a fortnightly basis for the last two years to review and make decisions regarding the work of our interim programme director and finance manager in progressing the development and resolving promptly the many issues that arose along the way. An enormous amount of work has been undertaken by these individuals in getting us to the position we have today, where a successful opening is expected in the next couple of months.

### **Looking forward to 2019/20**

The key challenges for the next year will include:

#### *For our sheltered houses*

- Achieving high resident satisfaction levels within active communities
- Building cross-house community relationships
- Sustaining high levels of occupancy
- Renewing and growing our volunteer house teams

#### *For our Nonsuch Abbeyfield community*

- Building a positive sense of community amongst residents, staff and volunteers of Nonsuch Abbeyfield.
- Achieving more than 90% occupancy by the end of the year.
- Establishing effective and efficient operational management systems.

#### *For our Trustee body*

- Evolving our oversight structures to ensure that they can provide effective support and challenge to our staff and volunteers in their efforts to deliver excellent service.
- Replacing, retaining and growing the capacity of the Trustee body, to enable it to oversee the next phase of the Society's development.
- Pursuing such new business relationships and opportunities will enable the Society to achieve its full potential in the medium to longer-term.

**ABBEYFIELD SOUTHERN OAKS**

**CHAIRMAN'S REPORT**  
**(continued)**

**Trustee postscripts**

A special word of thanks is due to John Shelton, who has stood down as chair of our sheltered House in Purley. The Society and its predecessor, Abbeyfield Purley, have been fortunate indeed to enjoy the benefits of his services for some 35 years! His knowledge of Abbeyfield is extensive, his personal contribution to the life and times of the Purley houses has been immense and the disciplines he has instilled in his House Team have been legendary. The Trustees are all delighted that John will remain a Trustee and member of the Purley house team for the foreseeable future and that Anne Carrington, a former Trustee and Society Chairman, has agreed to take over the Purley Chair responsibility.

On behalf of the Board, I was delighted to welcome Tim Howe as a new Trustee with effect from its Board meeting on 5 December 2019. The Board has approved his appointment as chairman with effect from the end of the Annual General Meeting on 5 March 2020. Tim's career has been as a senior HR executive in a wide range of business, not for profit and charitable organisations. His primary interest has always been the human aspect of the business and hence he is very much taken with the fact that we are engaged in not only delivering caring and supportive services to a wide range of older people but also in harnessing the motivation of volunteers to use their skills and talents in the public interest. Tim relishes the challenge of working collaboratively with us all to continue the positive development of Abbeyfield Southern Oaks in the years ahead.

Graham Walker

**Chairman – Abbeyfield Southern Oaks**

7 West Street, Ewell  
Epsom KT17 1UZ

**ABBEEFIELD SOUTHERN OAKS**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

The Trustees present their report and the audited financial statements of the Society for the year ended 30<sup>th</sup> September 2019.

**The year in review**

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 wholesome environment.

Our Charitable 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."*

The Society achieves its Charitable Objects by creating communities in which older people can live independently and comfortably in the company of others, with cost effective support services being provided that prevent or alleviate loneliness and assure security and peace of mind.

We aim to ensure that the total annual cost of the services provided to our residents is within or close to the normal budget of individuals with a state pension and local housing allowances. We advertise our services to the general public through both national and local websites and other forms of advertising. Our new development in Ewell (Nonsuch Abbeyfield) which is nearing completion will comprise 60 apartments of which 24 will be available at affordable rentals to tenants nominated by the local council; the balance of the development will be sold or rented at market prices.

The result for the year is an £719k deficit (2017: £184k deficit). The main reason for the 2019 deficit has been £637k (2018-£478k) of net expenditures incurred in respect of the financing, marketing and management of our major development programme to build and operate an independent living retirement community in Old Schools Lane, Ewell ("Nonsuch Abbeyfield"). The construction of Nonsuch Abbeyfield commenced on 2 January 2018, following the granting of planning permission in June 2017. The Society's operating contribution of £109k is 19% of income (operating contribution is defined as the surplus from housing and support operations after depreciation but before financing charges – excluding donations). The Board monitors operating contribution and is satisfied that its sheltered housing portfolio remains viable in the market conditions expected for the foreseeable future. The Society continuously invests in maintaining the fabric and condition of its sheltered houses.

As at 30<sup>th</sup> September 2019, the Society has spent £15million on the development of Nonsuch Abbeyfield, including construction and other development costs. Nonsuch Abbeyfield is expected to be ready to welcome residents in early 2020, by which time the Society will have invested £18.2 million in its development.

The Society is planning to sell 36 of the planned 60 flats to older people whilst the remainder will be available at Affordable Rents under a nomination's agreement agreed with Epsom and Ewell Borough Council. The Society will offer residents a range of well-being and support services, and personal care will be available for those who need it.

The development is being funded by £4.0 million from the Society's reserves, a £5.0 million loan from The Abbeyfield Society, and a development loan of up to £7.9 million from Charity Bank and Unity Trust Bank. The Society's business plan provides for a major proportion of these loans to be repaid from the proceeds of sale of 36 flats.

**ABBEYFIELD SOUTHERN OAKS**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**  
**(continued)**

By the end of calendar year 2019 we will have 36 sheltered housing units and 60 apartments in Nonsuch Abbeyfield, capable of accommodating up to 90 residents. We expect that it may well take all of calendar year 2020 and some of 2021 before all of the units of Nonsuch Abbeyfield are occupied. Once a viable level of occupancy has been secured at Nonsuch Abbeyfield, the Trustees will review the Society's strategy for further capacity and service growth in the light of the results of the strategic review of the Abbeyfield movement that is in progress during 2018/19.

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 underlying operating performance of our sheltered houses for the year was disappointing, due to Supported Housing voids in the year of 17.9% (2018 – 12.3%). However, a major element of this decline in occupancy was due to operating difficulties in one house. Following further investment in the operating condition of that house, occupancy had significantly improved by January 2020.

The Society has managed its working capital and cash flow to ensure that its financial commitments and development requirements have been met during the year. Our balance sheet continues to be strong with significant property assets and good cash reserves. Our existing cash balances, together with the £5,610k of unused borrowing facilities, will be used to complete the Nonsuch Abbeyfield development and to commence new projects 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.

### **Legacies and Donations**

Legacies and charitable donations received for the year were £720 (2018: £223.6k). Thanks are due to all donors, and particularly to The Bradbury Foundation, The Golden Hours Fellowship and Compton Housing Association for the substantial donations they have been able to make in previous years in support of our work on the development of Nonsuch Abbeyfield.

The Society and its subsidiaries made no political donations during the year.

### **Capital structure**

The Society is financed from retained surpluses, part of which have arisen through receipt of 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 remained the same. This is due to the extra work pressures in supporting the Nonsuch Abbeyfield development. As at 30<sup>th</sup> September 2019 the total number of FTE employees the Society had was 18 (2018: 18).

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

**ABBNEYFIELD SOUTHERN OAKS**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**  
**(continued)**

**Employees (continued)**

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 have been no RIDDOR reportable Health and Safety incidents in the year ended 30<sup>th</sup> September 2019.

**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 of development projects.
- Major repairs and renewals expenditures needed on the Society's operating properties.

After transfer of the deficit for the year of £719k (2017: £184k deficit), and other transfers at the year end, revenue reserves decreased to £7,176k (2017: £7,895k), including restricted reserves of £6.1k (2018: £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, has agreed a £5 million loan from The Abbeyfield Society and a development loan of up to £7.9 million with Charity Bank and Unity Trust Bank to fund the Nonsuch Abbeyfield development programme. The bank facilities were arranged in 2017 and are secured on the Society's assets and are 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.

**Cash flow and liquidity and Security**

The statement of cash flows on page 18 of the financial statements shows that during the year the Society generated net cash outflow from operating activities of £432k (2018: £11.6k - inflow). This is after receiving £720 of donations and spending £636k on the Nonsuch Abbeyfield development.

The total liquidity available to the Society from The Abbeyfield Society and The Charity/ Unity Bank (The Banks) facilities is £5.0 million and £7.9 million respectively of which £1,050k had been drawn at 30<sup>th</sup> September 2018. As at 30<sup>th</sup> September 2018, all of the assets of the Society were charges against the lines of credit provided by The Banks and The Abbeyfield Society.

**ABBNEYFIELD SOUTHERN OAKS**  
**REPORT OF THE TRUSTEES**  
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**(continued)**

### 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 in light of its findings.

### 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, with monthly risk reviews on the Nonsuch Abbeyfield development programme and will be commencing bi-annual reviews on the Society as a whole with effect from 1<sup>st</sup> March 2019, through the services of the Finance and Risk Committee.

The risk map ranks risks and identifies the actions to reduce these risks. These actions are agreed by the Development Committee and the Board. The more significant risks, in order of significance, are noted below, with mitigations which cover most of the identified risks:

RISK	MITIGATION
<p><b>Reputation:</b> Our reputation is impacted by poor safeguarding or malpractice either within the Society or the extended Abbeyfield network, or our customer service deteriorates.</p>	<p>There is a Board Operations Committee. The Operations Committee is chaired by a Trustee and includes the volunteer leaders of each of the teams that partner with house managers in the pastoral support that is provided to residents. The Committee monitors and encourages reporting amongst our staff and residents. Relevant training and awareness resources are made available and their use has been encouraged. Crisis management plans exist for each of our houses. Several of our Trustees are experienced in dealing with the media.</p>
<p><b>Viability and Financial:</b> Ongoing operational funding is impacted by high vacancy rates / costs, delays in completing new units and other cost challenges. These may impact the Society's ability to meet its covenants with lenders.</p>	<p>Close scrutiny of the financial management plans and performance is undertaken by the Development Committee (including its delegated Transitions Team) on a bi-monthly basis, with reporting to lenders on a monthly basis. The Society is operating based on a business plan that was prepared before committing to the Nonsuch Abbeyfield development and is reviewed and monitored on a regular basis.</p>

**ABBEYFIELD SOUTHERN OAKS**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**  
**(continued)**

**Risk Management (continued)**

<p><b>External Environment:</b>  The Society operates in a complex and ever-changing market, which creates a wide range of risks. These include competition, regulation, and changes to funding, Brexit and other market factors.</p>	<p>The Board and its Operations and Development Committees review these risks as part of their regular reviews during the year.</p>
<p><b>Development:</b>  The Society is currently undertaking a major investment programme in respect of Nonsuch Abbeyfield. There are significant financial and reputational risks that can flow from construction delays or problems in selling or servicing the apartments in line with the business plan.</p>	<p>The Development Committee monitors these issues on a fortnightly basis, with the help of a professional programme director, and an Employers' Agent and Estate Agency. The team is supported by a firm of experienced development solicitors. The development director of The Abbeyfield Society is a member of our Steering Committee.</p>
<p><b>People:</b>  Abbeyfield is dependent on its staff and Volunteers for its success. Staff leaving without adequate succession plans or not being well trained will have an impact on our service and morale. Health and Safety of both our staff and residents is of central importance to the Society.</p>	<p>The Society recognises the critical importance of its staff and volunteers. During the Development programme the Society's management team is being led by an experienced Interim Director of Operations, with experience of both running operations and managing large construction projects.</p> <p>An experienced Director of Business and Operations has now been recruited and is now taking over all aspects of the Society's operations.</p> <p>Extensive training resources are available to our staff and volunteers and our Director of Business and Operations holds frequent training sessions using these resources</p>
<p><b>IT and Physical risks:</b>  Serious loss of IT systems and related data, and cyber and other digital/ physical threats which may cause a loss of, or leak of data.</p>	<p>Business Continuity and Disaster Recovery plans are in place. Cyber insurance is now in place. Physical processes are in place to stop people entering our buildings and building security monitoring systems have been upgraded to assist in deterrence. These are reviewed and tested regularly.</p>
<p><b>Strategy:</b>  The Society's strategy needs to be modified and updated to consider market changes and the conclusions of the current strategic review of the Abbeyfield family. There is increasing demand for care for elderly people, but both public and private funding is challenged, impacting the prices we can charge for our services.</p>	<p>A Board Committee will be established in 2019/20 to oversee the development of a new strategic plan for the Society, considering the results of the Abbeyfield Review being conducted by The Abbeyfield Society and the opening of Nonsuch Abbeyfield.</p>

**ABBNEYFIELD SOUTHERN OAKS**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**  
**(continued)**

### 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 sheltered houses and expanding its capabilities to operate the independent living with care operation at Nonsuch Abbeyfield. Once Nonsuch Abbeyfield becomes operational (in late 2019) and the results are available from the current 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.

The Board has set three intermediate targets which relate to the new Standard:

- **Occupancy levels** achieved in its operating properties over period from 2018 to 2022
  - Sheltered between 90 and 95%
  - Independent living with care
 

2019/20	between 24 and 48 flats
2020/21	between 48 and 60
2021/22	between 54 and 60
- **Gearing** – the maximum gearing ratio of net debt to net assets 50%
- **Efficiency** – Operating contribution target 10%

The Operating contribution for Sheltered Housing is expected to be maintained. However, the operating contribution of the Society will be depressed during the implementation phase of the Nonsuch Abbeyfield development:

- During the period when leasehold units in Nonsuch Abbeyfield are being marketed, sales and marketing costs will negatively impact on the Society operating contribution. As leasehold units are sold, profit on sale will generate a positive return.
- During the development and start-up phase the costs of developing and implementing services for Nonsuch Abbeyfield will negatively impact on operating margins.

During 2019/20 the focus will be on building an effective team to manage the start-up of operations at Nonsuch Abbeyfield.

Operational effectiveness and VFM are managed by an Operations Committee, headed by a Trustee, which oversees current operations, and a "Transitions" team comprising those Trustees and the Interim Director of Operations who are managing the development of Nonsuch Abbeyfield and the Society's central management organisation. Two trustees work together to direct and oversee the Society's financial management and the development of enhanced management information.

The Board has also overseen stress-testing of the Financial Plans and has already identified and implemented actions to react to changes in the market for the leasehold properties that are to be sold. The review and testing of plans are a continuous part of the management process.

**ABBNEYFIELD SOUTHERN OAKS**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**  
**(continued)**

### **Governance**

Abbeyfield Southern Oaks was established on 6<sup>th</sup> 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 30<sup>th</sup> September 2019 was 47 (2018 - 50).

The Board recognises the importance of good governance and, in view of the increase in its operational size in 2019/20, is in the course of reviewing its governance arrangements with a view to resetting them for the next phase of the Society's development. The Board's review is being 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
Homes and Communities Agency number	H1185
Registered Office	The Old House Epsom Road Ewell Surrey KT17 1JZ
Operational address	7 West Street Ewell Epsom Surrey KT17 1UZ

**ABBEEFIELD SOUTHERN OAKS**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**  
**(continued)**

**Reference and administrative information** *(continued)*

**Trustees**

The following individuals have served as Trustees and Directors of the Society during the period from 1st October 2018 to the date of this report:

	Date of Appointment/ Resignation	Office Held
Margaret Angus		
Mary Boorman		Development Sales Trustee
Janet Fisher		
Dr. John Flower		
Timothy Howe	App. 05.12.2019	
Dr. Andrew Hoy		
Nigel Macdonald		Vice Chairman
Lyn Maggs		
Maurice Pagella		Development Financial Trustee
Jim Ratliff		Vice Chairman
Bill Scott		Property Trustee
John Shelton		Vice Chairman
Nick Shore		Vice Chairman, Society Financial Trustee
Dr Malcolm Wakerley, OBE		Vice Chairman
Graham Walker, LVO		Chairman

In accordance with the Memorandum and Articles of Association, re-elections will be established at the Annual General Meeting, which will be held at 5.00 pm on 5 March 2020.

**Bankers and other advisers**

Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
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Unity Trust Bank  
Nine Brindley Place  
Birmingham  
B1 2HB

**ABBNEYFIELD SOUTHERN OAKS**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**  
**(continued)**

**Bankers and other advisers (continued)**

Auditor	Maurice Andrews Chartered Accountants & Statutory Auditors Global House 1 Ashley Avenue Epsom Surrey KT18 5FL
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.

**ABBEYFIELD SOUTHERN OAKS**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**  
**(continued)**

**Responsibilities of the trustees** *(continued)*

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.

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**

Maurice Andrews 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 companies' exemption.

**Approval**

The report of the Trustees was approved by the Board on  
Chairman of the Society: -

2020 and signed on its behalf by the

GRAHAM WALKER  
CHAIRMAN

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS**  
**YEAR ENDED 30TH SEPTEMBER 2019****OPINION**

We have audited the financial statements of Abbeyfield Southern Oaks (the "Charity") for the year ended 30<sup>th</sup> September 2019 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 30<sup>th</sup> September 2019 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 2019****(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.

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS****YEAR ENDED 30TH SEPTEMBER 2019****(continued)****RESPONSIBILITIES OF THE TRUSTEES (continued)**

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.

**OUR 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.

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](http://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 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.

MICHAEL PETTIT (Senior Statutory Auditor)  
For and on behalf of  
MAURICE ANDREWS  
CHARTERED ACCOUNTANTS  
& STATUTORY AUDITORS

Global House  
1 Ashley Avenue  
Epsom  
Surrey KT18 5FL

2020

**ABBEYFIELD SOUTHERN OAKS****STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN  
INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

	Notes	<u>2019</u> £	<u>2018</u> £
<b>INCOME</b>			
<b>Donations and legacies</b>		720	223,644
<b>Charitable activities</b>			
Grants receivable and income from residents	3	569,879	578,700
<b>Other trading activities</b>	4	4,586	3,487
<b>Investment income</b>	5	25,817	7,740
<b>Other income</b>			
Sundry other income	6	<u>1,729</u>	<u>-</u>
<b>TOTAL INCOME</b>		<u>602,731</u>	<u>813,571</u>
<b>EXPENDITURE</b>			
<b>Raising funds</b>	7	2,124	3,823
<b>Charitable activities</b>			
Direct costs	8(a)	398,583	330,093
Support costs	8(b)	273,852	194,018
Governance costs	8(c)	10,961	10,957
<b>Other costs</b>	9	<u>636,558</u>	<u>478,046</u>
<b>TOTAL EXPENDITURE</b>		<u>1,322,078</u>	<u>1,016,937</u>
<b>NET INCOME / (EXPENDITURE)</b>		( 719,347)	( 203,366)
Profit/(loss) on sales of fixed assets		<u>-</u>	<u>19,733</u>
<b>Net movement in funds for the year</b>		( 719,347)	( 183,633)
<b>Fund balance brought forward</b>		<u>7,895,247</u>	<u>8,078,880</u>
<b>Fund balance carried forward</b>		<u>7,175,900</u>	<u>7,895,247</u>

The notes on pages 19 to 28 form part of the financial statements.

**ABBEYFIELD SOUTHERN OAKS****BALANCE SHEET****30TH SEPTEMBER 2019**

	<u>Notes</u>	<u>2019</u>		<u>2018</u>	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	12		6,665,185		4,032,308
<b>CURRENT ASSETS</b>					
Stock		-		1,200	
Properties under development for resale		9,001,000		4,908,634	
Debtors	13	68,730		54,510	
Cash at bank and in hand		<u>238,049</u>		<u>1,195,800</u>	
		9,307,779		6,160,144	
<b>CREDITORS: amounts falling due within one year</b>	14	<u>1,231,408</u>		<u>1,170,661</u>	
<b>NET CURRENT ASSETS</b>			<u>8,076,371</u>		<u>4,989,483</u>
			14,741,556		9,021,791
<b>CREDITORS: amounts falling due after more than one year</b>	15		<u>7,565,656</u>		<u>1,126,544</u>
<b>NET ASSETS</b>			<u><u>7,175,900</u></u>		<u><u>7,895,247</u></u>
<b>CAPITAL AND RESERVES</b>					
Accumulated funds					
Unrestricted	16		7,169,758		7,889,105
Restricted	17		<u>6,142</u>		<u>6,142</u>
			<u><u>7,175,900</u></u>		<u><u>7,895,247</u></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 20120 and signed on its behalf by: -

G.A.J. Walker

N. Shore

M.V. Pagella

The notes on pages 19 to 28 form part of the financial statements.

**ABBNEYFIELD SOUTHERN OAKS****STATEMENT OF CASH FLOWS****30TH SEPTEMBER 2019**

	Notes	2019 £	2018 £
<b>Net cashflow from operating activities</b>	19	( 432,302)	<u>11,549</u>
<b>Cash flows from investing activities</b>			
Investment income		25,817	7,740
Proceeds from sale of investment properties		-	2,310,367
Cash drawn from investment portfolio		-	1,139,973
Purchase of fixtures, fittings and equipment		( 10,604)	( 1,099)
Costs of development		<u>(6,601,691)</u>	<u>(3,632,718)</u>
<b>Net cash flow from investing activities</b>		<u>(6,586,478)</u>	<u>( 175,737)</u>
<b>Cash flows from financing activities</b>			
New borrowing from The Abbeyfield Society		3,950,000	1,050,000
New borrowing from banks		2,350,000	-
HCA grant received		83,898	720,000
Repayment of HCA grant		-	( 134,755)
Payments regarding Old Salesians liability		<u>( 322,869)</u>	<u>( 632,129)</u>
<b>Net cash flow from financing activities</b>		<u>6,061,029</u>	<u>1,003,116</u>
<b>Changes in cash and cash equivalents for the year</b>		( 957,751)	838,928
Cash and cash equivalents at beginning of year		<u>1,195,800</u>	<u>356,872</u>
<b>Cash and cash equivalents at end of year</b>		<u>238,049</u>	<u>1,195,800</u>

**ABBNEYFIELD SOUTHERN OAKS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

**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 four Abbeyfield houses at 2 Purley Knoll, Purley, Surrey, 82 York Road, Cheam, Surrey, 82 Mulgrave Road, Sutton, Surrey, and The Old House, Epsom Road, Ewell, Surrey

**2. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes.

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 102 applicable in the UK and Ireland (effective January 2015), the Financial Reporting Standard 102 applicable in the UK and Ireland (revised March 2018), the Charities Act 2011 and with the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**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.

**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.

**ABBEEFIELD SOUTHERN OAKS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**  
**(continued)**

**2. ACCOUNTING POLICIES** *(continued)*

**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.

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.

**Expenditure recognition**

Liabilities are recognised as expenditure and are accounted for on an accrual's basis. 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**

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 buildings	over 50 years
Fixtures, fittings and equipment	over 3 to 10 years

**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.

**Investment Properties**

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date. Any changes in fair value are recognised in the statement of financial activities and accumulated in equity.

**Stocks**

Stocks are valued at the lower of cost and net realisable value.

**ABBEEFIELD SOUTHERN OAKS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**  
**(continued)**

**2. ACCOUNTING POLICIES** *(continued)*

**Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**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>2019</u>	<u>2018</u>
	£	£
Income receivable from letting of all units based on 100% occupancy	675,996	642,739
<u>Less: vacancies and void losses</u>	<u>(121,117)</u>	<u>( 79,039)</u>
	554,879	563,700
Grants receivable	<u>15,000</u>	<u>15,000</u>
	<u>569,879</u>	<u>578,700</u>

No specific charge is made for services within residents' charges.

**4. INCOME FROM OTHER TRADING ACTIVITIES**

	<u>2019</u>	<u>2018</u>
	£	£
Fundraising	<u>4,586</u>	<u>3,487</u>

**5. INVESTMENT INCOME**

	<u>2019</u>	<u>2018</u>
	£	£
Bank and short-term deposits – gross	817	651
Income from investment portfolio	-	4,539
Income from investment property	<u>25,000</u>	<u>2,550</u>
	<u>25,817</u>	<u>7,740</u>

**ABBNEYFIELD SOUTHERN OAKS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**  
**(continued)**

<b>6. OTHER INCOME</b>	<u>2019</u>	<u>2018</u>
	£	£
Sundry other income	1,729	-
	<u>=====</u>	<u>=====</u>
<b>7. COST OF RAISING FUNDS</b>	<u>2019</u>	<u>2018</u>
	£	£
Fundraising costs	2,124	1,266
Portfolio investment management fees	-	<u>2,557</u>
	<u>2,124</u>	<u>3,823</u>
	<u>=====</u>	<u>=====</u>
<b>8. EXPENDITURE ON CHARITABLE ACTIVITIES</b>	<u>2019</u>	<u>2018</u>
	£	£
<b>a) Direct costs</b>		
Food and household	75,459	66,773
Staff costs	181,488	146,978
Repairs and redecorations	40,640	36,180
Rates and utilities	46,430	41,339
Insurance	13,213	8,856
Telephone	3,744	3,459
Sundries	15,708	2,906
Depreciation	<u>21,901</u>	<u>23,602</u>
	<u>398,583</u>	<u>330,093</u>
	<u>=====</u>	<u>=====</u>
<b>b) Support costs</b>		
Staff costs	79,220	108,304
Affiliation fees – The Abbeyfield Society	16,215	5,195
Advertising and marketing	3,881	100
Office expenses	52,166	24,114
Depreciation	172	407
Legal and professional fees	84,448	35,617
Freelance director	35,550	12,615
Miscellaneous expenses	<u>2,200</u>	<u>7,666</u>
	<u>273,852</u>	<u>194,018</u>
	<u>=====</u>	<u>=====</u>

**ABBNEYFIELD SOUTHERN OAKS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**  
**(continued)**

<b>8.</b>	<b>EXPENDITURE ON CHARITABLE ACTIVITIES</b> <i>(continued)</i>	<u>2019</u> £	<u>2018</u> £
	<b>c) Governance costs</b>		
	Audit fee	10,000	10,000
	Miscellaneous	93	93
	Insurance	<u>868</u>	<u>864</u>
		<u>10,961</u>	<u>10,957</u>
		=====	=====
<b>9.</b>	<b>OTHER COSTS</b>	<u>2019</u> £	<u>2018</u> £
	<b>Developments costs</b>		
	Development costs	159,918	158,075
	Sales and marketing	111,344	34,031
	Financial arrangement and professional fees	140,676	279,865
	Loan interest	142,682	6,075
	Staff costs	69,926	-
	Office expenses	7,117	-
	Miscellaneous expenses	<u>4,895</u>	<u>-</u>
		<u>636,558</u>	<u>478,046</u>
		=====	=====
<b>10.</b>	<b>STAFF COSTS (including officers)</b>	<u>2019</u> £	<u>2018</u> £
	Salaries	308,385	237,465
	Social security costs	17,983	14,295
	Pension contributions	<u>4,266</u>	<u>3,522</u>
		<u>330,634</u>	<u>255,282</u>
		=====	=====
	Accounted for as:		
	Charitable activities - direct costs	181,488	146,978
	Charitable activities - support costs	79,220	108,304
	Development costs - charged to expenses	<u>69,926</u>	<u>-</u>
		<u>330,634</u>	<u>255,282</u>
		=====	=====

No employee received emoluments of more than £60,000.

**ABBEEFIELD SOUTHERN OAKS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**  
**(continued)**

**10. STAFF COSTS (including officers) (continued)**

The average number of employees during the year was as follows: -

	<u>2019</u>	<u>2018</u>
Office	5	4
Social housing staff	<u>15</u>	<u>15</u>
	<u>20</u>	<u>19</u>

**11. TAXATION**

The Society is exempt from corporation tax on its charitable activities.

**12. TANGIBLE FIXED ASSETS**

	<u>Freehold operating properties</u> £	<u>Assets under development</u> £	<u>Fixtures, fittings &amp; equipment</u> £	<u>Total</u>
Cost/valuation				
At 1.10.2018	2,200,000	3,272,423	131,284	5,603,707
Additions	-	6,820,610	10,604	6,831,214
Transfers to current assets	<u>-</u>	<u>(4,092,366)</u>	<u>-</u>	<u>(4,092,366)</u>
At 30.9.2019	<u>2,200,000</u>	<u>6,000,667</u>	<u>141,888</u>	<u>8,342,555</u>
Housing Association Grant				
At 1.10.2018	742,057	720,000	-	1,462,057
Additions	<u>-</u>	<u>83,898</u>	<u>-</u>	<u>83,898</u>
At 30.9.2019	<u>742,057</u>	<u>803,898</u>	<u>-</u>	<u>1,545,955</u>
Depreciation				
At 1.10.2018	14,841	-	94,501	109,342
Charge for year	<u>12,252</u>	<u>-</u>	<u>9,821</u>	<u>22,073</u>
At 30.9.2019	<u>27,093</u>	<u>-</u>	<u>104,322</u>	<u>131,415</u>
Net book value				
At 30.9.2019	<u>1,430,850</u>	<u>5,196,769</u>	<u>37,566</u>	<u>6,665,185</u>
At 30.9.2018	<u>1,443,102</u>	<u>2,552,423</u>	<u>36,783</u>	<u>4,032,308</u>

The valuation of freehold operating properties shown above of £2,200,000 (2018 - £2,200,000) includes £440,000 (2018 - £440,000) attributed to the land element of the properties as estimated by the Trustees. The freehold operating properties were revalued at 30<sup>th</sup> September 2017 by Bruton Knowles LLP based on their value for existing use.

**ABBNEYFIELD SOUTHERN OAKS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**  
**(continued)**

**13. DEBTORS**

	<u>2019</u>	<u>2018</u>
	£	£
VAT recoverable	34,184	47,311
Sundry debtors and prepayments	<u>34,546</u>	<u>7,199</u>
	<u>68,730</u>	<u>54,510</u>

**14. CREDITORS: amounts falling due within one year:**

	<u>2019</u>	<u>2018</u>
	£	£
Taxes and social security costs	5,624	5,761
Other creditors and accruals	<u>1,225,784</u>	<u>1,164,900</u>
	<u>1,231,408</u>	<u>1,170,661</u>

**15. CREDITORS: amounts falling due after more than one year:**

	<u>2019</u>	<u>2018</u>
	£	£
Loan from The Abbeyfield Society	5,000,000	1,050,000
Bank loans	2,350,000	-
Other creditors	<u>215,656</u>	<u>76,544</u>
	<u>7,565,656</u>	<u>1,126,544</u>

The loan from The Abbeyfield Society is secured on the properties under development and will be repaid from the proceeds of those properties due to be sold as they are realised.

The bank loans are secured on the properties under development.

**ABBEEFIELD SOUTHERN OAKS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**  
**(continued)**

**16. ACCUMULATED FUNDS - UNRESTRICTED**

	Development Fund	Amenity Funds	Major Repairing Reserve	Property Revaluation Reserve	General Fund	Total
		£	£	£	£	£
Balance at 1.10.2018	-	53,685	348,367	860,458	6,626,595	7,889,105
Income	-	19,991	-	-	582,740	602,731
Expenditure	-	( 7,674)	-	-	(1,314,404)	(1,322,078)
Balance at 30.9.2019	-	66,002	348,367	860,458	5,594,931	7,169,758
<b>Summary of Net Assets by Fund:</b>						
Fixed assets	-	-	-	860,458	5,804,727	6,665,185
Net current assets /(liabilities)	-	66,002	348,367	-	7,655,860	8,070,229
Long term liabilities	-	-	-	-	(7,565,656)	(7,565,656)
	-	66,002	348,367	860,458	5,894,931	7,169,758

**Development Fund**

These funds represent historic donations to the Society which the Trustees have designated to be used against the costs of the major development currently underway. These have been determined as being utilised during the year as part of the development's costs incurred.

**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. 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.

**ABBEEFIELD SOUTHERN OAKS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**  
**(continued)**

**17. ACCUMULATED FUNDS - RESTRICTED**

	£
Balance at 1.10.2018 and at 30.9.2019	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. HOUSING STOCK**

	Units under development		Units in management	
	30.9.2019	30.9.2018	30.9.2019	30.9.2018
Social Housing Accommodation Number of bed spaces, excluding housekeeper and guest rooms	24	24	36	36

**19. CASH GENERATED FROM OPERATIONS**

	<u>2019</u> £	<u>2018</u> £
Net movement in funds for the year	(719,347)	(183,633)
Adjustments for:		
Depreciation of tangible assets	22,073	24,009
Impairment of housing stock	-	-
Investment income	(25,817)	( 7,740)
Gain on disposal of tangible assets	-	( 25,367)
Gain on revaluation of tangible assets	-	-
Loss (Gain) on investment portfolio	-	5,634
	<u>( 3,744)</u>	<u>( 3,464)</u>
Changes in:		
Stock	1,200	-
Other debtors	( 14,220)	177,395
Other creditors	<u>303,809</u>	<u>21,251</u>
	<u>290,789</u>	<u>198,646</u>
Net cashflow from operating activities	<u>432,302</u>	<u>11,549</u>

**ABBNEYFIELD SOUTHERN OAKS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2019**  
**(continued)**

**20. CAPITAL COMMITMENTS**

During the financial year the Society entered into a contract for the construction of its new housing development at Old Schools Lane, Ewell. As of the year end the outstanding commitment under these contacts was £8,200,000.

**21. SUBSEQUENT EVENTS**

Since the year end the Society entered into a 125-year lease with Epsom Sports Club for the sports club to occupy the sports fields adjoining the Society's new development at Old Schools Lane, Ewell. Under the terms of the lease the sports club has paid the society a premium of £250,000.

The Society has secured an additional grant from Homes England amounting to £112,000 towards the new development at Old Schools Lane.

**22. LEGAL CHARGES**

Under the terms of loan agreements with Unity 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 and Charity Banks, with a secondary charge in favour of The Abbeyfield Society.

**23. 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 2<sup>nd</sup> January 2028. The Society has an agreement with the Epsom Sports Club to lease the pavilion to the sports club on a term that is coterminous with the lease of the playing fields.

**24. 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.