

Registered Number
00734705

ABBNEYFIELD SOUTHERN OAKS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2020

ABBNEYFIELD SOUTHERN OAKS

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ABBEYFIELD SOUTHERN OAKS

CHAIRMAN'S REPORT

Introduction

What a momentous year. This is my first report since taking over from Graham Walker on 5th March 2020. The year started well with the completion of our new development at Nonsuch Abbeyfield in February 2020. We managed to move our management team into their new offices and get two residents installed before everything was brought to an untimely halt with the first lockdown due to the covid pandemic. The second half of the year has been a real challenge in terms of ensuring that we had the right procedures and processes implemented to protect all our residents from the ravages of the covid virus whilst bedding down our operations, achieving further sales and rentals at Nonsuch and maintaining occupancy in our supported Sheltered Houses.

There have been a number of changes in staffing over the year. We have successfully made the transition from an interim management structure during the completion of Nonsuch and we are very pleased to welcome Martin King as Director of Business and Operations and Mandy Coe as Head of Finance. In addition, Jo Taylor was promoted to Community Manager and Anthea Snoussi took over from Jo as Sheltered Housing Manager. I am very pleased with the way that all appointments are working out and I would like to take the opportunity to highlight the work done by Jo and Anthea together with our four House Managers and other staff who have all in their own way been prepared to do that little bit extra (which sometimes turned into a lot extra) in order to provide a safe and harmonious living environment for our residents despite the many constraints and difficulties posed by the virus. We are grateful that our residents and their families have been so patient, supportive and even tempered as they have had to endure significant restrictions on their freedoms for the safety of all our residents and staff in our communities.

Over the next 12 months we hope Nonsuch Abbeyfield will become fully occupied with about 80 residents in 60 comfortable and spacious one and two-bedroom apartments. We also expect to return our Sheltered Houses to near full occupancy once the current restrictions permit. We are all very much looking forward to life returning to some sort of normality so that we can continue with our ideas on developing an expanded community presence providing pastoral and other support to both our residents and older people living in the wider communities surrounding all our houses.

This continues to be an exciting time for our Society despite the problems thrown up by the virus in the last year. We have four great houses and a state-of-the-art development that can serve our ASO family well for many years. We have a dedicated and caring team of managers and volunteers who have the best interests at the heart of each of our residents and the communities that surround them. We are optimistic that we have a unique offering and we have the staff and facilities to do this better and at an affordable cost than any alternatives available to older people.

Achievements in 2019/20

Covid pandemic

At first sight it might seem strange to list this as an achievement. The onset of this virus, with its deadly implications for those in the same age range as our residents, certainly caused us tremendous disruption and confronted us with some extremely difficult decisions. However, the response of our staff – from the most senior managers to the cleaners and handyman – was outstanding. All of them in their own way have gone above and beyond the normal requirements of their jobs with the sole purpose of keeping our residents safe. In addition, we set up a trustee/management committee to solely consider the implications of the virus and to recommend policy in dealing with the virus. I am particularly indebted to our two medical Trustees, Andrew Hoy and John Flower, for their invaluable advice and guidance. Some of the actions we took included:-

ABBEYFIELD SOUTHERN OAKS

CHAIRMAN'S REPORT

(continued)

Achievements in 2019/20 (continued)

Covid pandemic (continued)

- Our professional team developed backup procedures and additional staffing to ensure 365 day continuity of support for our residents. We also used the Nonsuch kitchen as an emergency backup meals service to our sheltered houses;
- We purchased tablets for houses to ensure that residents could maintain contact with family and friends during the lockdowns;
- Our volunteers adjusted to a remote method of contact in order to maintain relationships with residents and support their well-being as much as possible;
- We sourced and secured a wide range of PPE products and other equipment to test visitors to each location;
- We maintained contact with residents and their families so that all were aware of what we were doing and why;
- We created safe visiting areas both inside and outside for use when restrictions permit.

Thank you, Trustees, staff and volunteers, for helping us to overcome all the challenges that we have been faced with in dealing with the pandemic.

Nonsuch Abbeyfield

The other great achievement last year was the completion of our new facility and the welcoming of residents. Again, there has been a tremendous amount of hard work to achieve the completion with only a five month delay and on budget. This happened immediately prior to the first lockdown in March. We managed to move in two residents before having to suspend operations because of the restrictions. However, of the 10 further reservations outstanding we managed to maintain interest with all but one of these and by the end of September 14 apartments were occupied. Marketing since then has been further hampered by the pandemic restrictions in force but, with the considerable efforts of those involved skilfully led by our Trustee, Mary Boorman, we are still reasonably confident of achieving our occupation targets in time to meet the repayment covenants of our lenders.

We have also managed to recruit a large number of volunteers who will be available to provide the community living environment for the building as soon as the current restrictions allow.

Sheltered Houses

Not surprisingly it has been a quiet year for our four sheltered houses. The biggest achievement has been in keeping residents safe and their spirits up during the second difficult half year. This is due in no small part to our dedicated team of House Managers who look after all the cooking requirements but also pay a great deal of attention to the well-being of their residents. They have each succeeded admirably in both areas whilst maintaining consistently high standards of hygiene, care and house-keeping.

Looking forward to 2020/21

There are likely to be many significant challenges in the coming year but my intention is that the following will provide the top priorities of both the Board and the management team:

- Maintaining a safe and secure 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

ABBNEYFIELD SOUTHERN OAKS

CHAIRMAN'S REPORT

(continued)

Looking forward to 2020/21 *(continued)*

- Building the occupancy in both the sheltered houses and at Nonsuch so that we return to a more stable financial position after the pandemic
- 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
- Review the way we operate in order to find opportunities to improve efficiency and deliver better value for money without compromising the quality for our residents
- Looking at new business relationships and opportunities both within and outside the Abbeyfield movement which will enable Abbeyfield Southern Oaks to achieve a stable and viable operation for the future

The Walker family

It would be remiss of me if I did not record the very great debt of gratitude that this Society has to the Walker family.

Firstly, there is Graham Walker who took on the role of chairmanship in 2001, following in the footsteps of his father Austin Walker, who was the first Chairman of Abbeyfield Cheam from 1975 to 1999 and his mother Eveline Walker who was a Trustee and Admissions Secretary from 1975 to 2014. Under his guidance and leadership he transformed this society from one with two small sheltered houses, to a society which will have over 100 residents across five locations and which faithfully tries to implement the vision and ethos of the Abbeyfield movement. He has commanded huge respect and affection and will be truly a very very hard act to follow. I am privileged to be chosen to follow in his shoes and I am extremely grateful that he has agreed to remain as a Trustee for the next few years to assist in the next phase of ASO's evolution. Thank you, Graham.

Secondly, there is also Graham's wife who retired as a Trustee last year. The Team Leader of any of our supportive houses has one of the truly key roles in helping to create and maintain the atmosphere of care and support that we all work so hard to ensure surrounds each one of our homes. Susanna Walker is only the second such Team Leader we have had for 82 York Road since we opened it 40 years ago! She made an extraordinary contribution and we regret that her permanent move to their home in Hampshire has meant that she has had to resign from a role where she has earned the love and respect of everyone who has come into contact with her. We wish Susanna (as well as Graham) a very happy future there.

Third, there is the very generous donation made from the estate of Graham's mother, Eveline, who sadly passed away last year. This donation will be used to assist in the transport needs of our residents. We are currently assessing the best way that this significant donation can best be used in accordance with the wishes of Eveline and I hope to give full details in next year's report. Thank you to Graham and his brother David for organising this.

Tim Howe

Chairman – Abbeyfield Southern Oaks

ABBNEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2020

The Trustees present their report and the audited financial statements of the Society for the year ended 30th September 2020.

The year in review

The year started well as we increased occupancy in our sheltered houses and completed the development at Nonsuch Abbeyfield. However, the second half of the year, and beyond, was overshadowed by the Coronavirus (Covid-19) pandemic. We locked down all houses to safeguard our residents, the majority of whom are in the vulnerable category, and our staff worked hard to keep them safe and maintain their physical and mental wellbeing. We formed a small group of key trustees and staff, who meet weekly, to ensure our policies and procedures continue to protect our residents, staff and volunteers and respond to any changes in circumstance. Due to our status as Supported Living communities we have had to find solutions that apply Government rules that are not as clear cut as those applied to Care Homes and private dwellings and that has only been possible due to the cooperation of residents and staff, for which we are grateful. The value and importance of our communal living offering for older people has become very apparent during this time, and we have been pleased that our residents have generally been happy with the constraints that we have had to put on their freedom to keep our homes as safe as possible. 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.

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 in our rental accommodation is affordable to a wide range of individuals including 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 advertising.

Our four supported sheltered houses have operated well during the year benefitting from a stable staffing structure and the continuing support of committed teams of volunteers, albeit remotely as a result of the Covid-19 constraints, in the second half of the year. We started the year with 7 vacancies across three of the houses, of a total capacity of 36, which improved to just 3 vacancies by March 2020. However, we ended the year with 8 vacancies which we have not been able to fill due to the Covid-19 restrictions. The rooms are all ready for occupation and we have applicants ready for trial stays when circumstances allow.

Nonsuch Abbeyfield, our independent living retirement community, completed on 29 January 2020, following a construction delay of 5 months, and was ready for occupation 7 weeks later. The first two residents moved in on 23 & 24 March 2020 immediately prior to the first lockdown and remained our only residents at Nonsuch until June when restrictions were eased. By the end of September 2020 14 apartments were occupied (9 leaseholder and 5 affordable rentals) with 15 residents in situ. Residents have continued to move in when restrictions allow and there were 11 leasehold and 13 rental apartments occupied by January 2021 and 11 further in process. We have had to restrict the activities and services on offer due to the pandemic, but the restaurant service has operated throughout and regular events are taking place, facilitated by the residents with support from staff – all of course regulated in compliance with our Covid-19 policies.

ABBEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2020
(continued)

The year in review *(continued)*

Nonsuch Abbeyfield is the fruition of several years of work by the society having commenced construction in January 2018, following the granting of planning permission in June 2016. We continue to work closely with our construction contractor, Castleoaks Care Partnership, to ensure our state-of-the-art building is functioning correctly and as we envisaged.

As of 30th September 2020, the Society has spent £19 million on the development of Nonsuch Abbeyfield, including construction and other development costs. This is primarily funded by £4.0 million from the Society's reserves, a £5.0 million loan from The Abbeyfield Society and a development loan of £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 the sale of 36 apartments. In addition, the Society has received grants from Homes England as well as a grant from The Bradbury Foundation.

We now have 36 sheltered housing units and 60 apartments in Nonsuch Abbeyfield, capable of accommodating up to 90 residents. We expect that it may take until early 2022 before the units at Nonsuch Abbeyfield are fully occupied, but this will be very dependent on the containment of Covid-19. The Board monitors operating contribution and has commenced a review of our sheltered housing portfolio to ensure it remains viable in the current market conditions. Once completed and 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, particularly in the light of the results of the strategic review of the wider national Abbeyfield movement that is continuing to progress in 2021.

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 £477k deficit (2019: £719k deficit). This deficit includes £3m (2019-£637k) of net expenditures incurred in respect of the financing, marketing and management of Nonsuch Abbeyfield. So long as our operation continue to be seriously disrupted by the Covid-19 pandemic, we cannot be confident of returning to a net operating profit for the time being.

The underlying financial performance of our sheltered houses for the year was disappointing, due to Sheltered Housing voids in the year of 16.3% (2019 – 17.9%). After a strong start to the year and achieving 92% occupancy by March 2020, the pandemic has prevented us from replacing residents that have left in the second half of the year and we ended the year with 8 vacancies (22%).

The delay in completing Nonsuch Abbeyfield meant that we opened at the commencement of the Covid-19 pandemic, which has significantly impacted the financial performance of the facility. We had 12 reservations for leasehold apartments at opening but had to delay most completions due to the restrictions. Two buyers had to pull out in the meantime, but all remaining reservations have completed, and residents moved in. We met our target of completing £1 million of sales by July 2020.

The lockdown also delayed the nominations process for the affordable apartments, by which rental apartments at Nonsuch Abbeyfield are filled in cooperation with Epsom and Ewell Borough Council (EEBC). EEBC housing team, themselves pressured by the challenges brought by Covid-19, were only able to provide the first applications in June 2020, having agreed the housing charges and process 4 months previously. At the end of the financial year 5 apartments were in occupation by 6 residents.

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

Overview of performance and financial position *(continued)*

The costs of operating Nonsuch Abbeyfield are largely fixed but where possible costs were reduced to compensate for the lower than anticipated income. The high vacancy rates also created unanticipated extra costs as we became liable for the council tax on the empty apartments.

The Society managed its working capital and cash flow to ensure that its financial commitments and development requirements were met during the year. Our balance sheet continues to be strong with significant property assets and good cash reserves. Our cash balances include amounts due to our development contractor which we are holding until final project sign off. We are working hard to manage our cost base to maintain these balances whilst our income growth is hindered due to the pandemic. Our aim is to allow us 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 face unprecedented uncertainty. Our efforts to increase and then maintain occupancy in our rental accommodation and to sell leases at Nonsuch Abbeyfield continue in the face of uncertainty both about the course of Covid-19 pandemic and the restrictions put in place by the Government to deal with the public health. There is additional uncertainty due to the knock-on effect of Covid-19 on the UK economic outlook and the outlook for the housing market in particular.

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 £1,430 (2019: £720). Thanks are due to all donors, and particularly to the Compton Housing Association for their continued donations in support of our work on the development of Nonsuch Abbeyfield.

The Society 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 reduced from last year. As of 30th September 2020, the total number of FTE employees the Society had was 12 (2019: 18).

The Society shares information on its objectives, progress and activities through the 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 were no RIDDOR reportable Health and Safety incidents in the year ended 30th September 2020.

Reserves

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

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

After transfer of the deficit for the year of £477k (2019: £719k deficit), and other transfers at the year-end, revenue reserves decreased to £6,699k (2019: £7,176k), including restricted reserves of £6.1k (2019: £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 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 £11.4 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.

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 £464k (2019: £432k). This is after receiving £1,430 of donations and writing off expenditures of £167k 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, all of which had been drawn at 30th September 2020. As of 30th September 2020, all 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
FOR THE YEAR ENDED 30TH SEPTEMBER 2020
(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 considering 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, 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 sheltered 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 Sheltered 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 and leasehold sales as described above, and the start-up costs of the new 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 start-up phase the costs of developing and implementing services for Nonsuch Abbeyfield whilst the facility is not fully utilised will negatively impact on operating margins.

ABBNEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2020
(continued)

Value for Money *(continued)*

During 2020/21 the focus will be on building up the occupancy at Nonsuch Abbeyfield and reducing the vacancies of the sheltered houses whilst also developing a viable cost structure for managing the society's activities.

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, and a company limited by guarantee which does not have a share capital. Every member of the Society undertakes to contribute an amount not exceeding £1 to the assets of the Society in the event of winding up. The total number of such members at 30th September 2020 was 49 (2019 - 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 2020
(continued)

Trustees

The following individuals have served as Trustees and Directors of the Society during the period from 1st October 2019 to the date of this report:

| | Date of Appointment/ Resignation | Office Held |
|--------------------------|--|--|
| Margaret Angus | | Society Secretary |
| Mary Boorman | | Sales & Marketing Nonsuch |
| Janet Fisher | | |
| Dr John Flower | | Honorary Medical Adviser |
| Timothy Howe | App. 05.12.2019 | Society Chair |
| Dr Andrew Hoy | | Honorary Medical Adviser/Volunteers |
| Nigel Macdonald | | Audit & Risk Assurance Committee Chair |
| Lyn Maggs | | House Team Leader |
| Maurice Pagella | | Deputy Chair of the Society/Development Finance |
| Jim Ratliff | | Nonsuch Development, Covid-19 Lead |
| Bill Scott | | Maintenance Projects |
| John Shelton | | |
| Nick Shore | | Operating Committee Chair |
| Dr Malcolm Wakerley, OBE | | House Team Leader |
| Graham Walker, LVO | | Strategic Development |

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 1st March 2021.

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

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2020
(continued)

Bankers and other advisers *(continued)*

| | |
|----------------------|--|
| Solicitors | <p><i>Development</i> Trowers & Hamlins LLP 3 Bunhill Row London EC1Y 8YZ</p> <p><i>Property Sales</i> Galloway Hughes 46 High Street Esher Surrey KT10 9QY</p> |
| Property Sales Agent | <p>Hamptons International 145 High Street Epsom Surrey KT19 8EH</p> |

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 2020
(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

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 15th February 2021 and signed on its behalf by the Chairman of the Society:-

Tim Howe

Chairman – Abbeyfield Southern Oaks

Nonsuch Abbeyfield,
Old Schools Lane, Ewell
Epsom KT17 1FL

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS****YEAR ENDED 30TH SEPTEMBER 2020****OPINION**

We have audited the financial statements of Abbeyfield Southern Oaks ('the Charity') for the year ended 30th September 2020 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 2020 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.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS

YEAR ENDED 30TH SEPTEMBER 2020

(continued)

OTHER INFORMATION *(continued)*

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.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS

YEAR ENDED 30TH SEPTEMBER 2020

(continued)

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS *(continued)*

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. 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

15th February 2021

Global House

1 Ashley Avenue

Epsom

Surrey KT18 5FL

ABBNEYFIELD SOUTHERN OAKS
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30TH SEPTEMBER 2020

| | Notes | <u>2020</u> £ | <u>2019</u> £ |
|---|-------|--------------------|--------------------|
| INCOME | | | |
| Donations and legacies | | 1,430 | 720 |
| Charitable activities | | | |
| Grants receivable and income from residents | 3 | 646,243 | 569,879 |
| Other trading activities | 4 | 7,004 | 4,586 |
| Investment income | 5 | 27,248 | 25,817 |
| Other income | 6 | <u>3,167,528</u> | <u>1,729</u> |
| TOTAL INCOME | | <u>3,849,453</u> | <u>602,731</u> |
| EXPENDITURE | | | |
| Raising funds | 7 | 2,923 | 2,124 |
| Charitable activities | | | |
| Direct costs | 8(a) | 905,868 | 398,583 |
| Support costs | 8(b) | 350,487 | 273,852 |
| Governance costs | 8(c) | 9,126 | 10,961 |
| Other costs | 9 | <u>3,058,002</u> | <u>636,558</u> |
| TOTAL EXPENDITURE | | <u>4,326,406</u> | <u>1,322,078</u> |
| Net movement in funds for the year | | (476,953) | (719,347) |
| Fund balance brought forward | | <u>7,175,900</u> | <u>7,895,247</u> |
| Fund balance carried forward | | 6,698,947 ===== | 7,175,900 ===== |

ABBEYFIELD SOUTHERN OAKS**BALANCE SHEET**
30TH SEPTEMBER 2020

| | <u>Notes</u> | <u>2020</u> | | <u>2019</u> | |
|--|--------------|-------------|-------------------|-------------|------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 12 | | 6,106,377 | | 6,665,185 |
| CURRENT ASSETS | | | | | |
| Stock | | | 7,597 | | - |
| Properties under development for resale | | | 8,673,182 | | 9,001,000 |
| Debtors | 13 | | 81,787 | | 68,730 |
| Cash at bank and in hand | | | <u>4,475,636</u> | | <u>238,049</u> |
| | | | 13,238,202 | | 9,307,779 |
| CREDITORS: amounts falling due within one year | 14 | | <u>1,000,278</u> | | <u>1,231,408</u> |
| NET CURRENT ASSETS | | | <u>12,237,924</u> | | <u>8,076,371</u> |
| | | | 18,344,301 | | 14,741,556 |
| CREDITORS: amounts falling due after more than one year | 15 | | <u>11,645,354</u> | | <u>7,565,656</u> |
| NET ASSETS | | | <u>6,698,947</u> | | <u>7,175,900</u> |
| | | | ===== | | ===== |
| CAPITAL AND RESERVES | | | | | |
| Accumulated funds | | | | | |
| Unrestricted | 16 | | 6,692,805 | | 7,169,758 |
| Restricted | 17 | | <u>6,142</u> | | <u>6,142</u> |
| | | | 6,698,947 | | 7,175,900 |
| | | | ===== | | ===== |

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 15th February 2021 and signed on its behalf by:-

T. Howe

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 2020**

| | Notes | <u>2020</u> £ | <u>2019</u> £ |
|--|-------|---------------------------|-------------------------|
| Net cashflow from operating activities | 19 | (464,293) | (432,302) |
| Cash flows from investing activities | | | |
| Investment income | | 27,248 | 25,817 |
| Proceeds from the sale of development properties | | 3,160,500 | - |
| Purchase of fixtures, fittings and equipment | | (1,105,592) | (10,604) |
| Costs of development | | <u>(1,611,023)</u> | <u>(6,601,691)</u> |
| Net cash flow from investing activities | | <u>471,133</u> | <u>(6,586,478)</u> |
| Cash flows from financing activities | | | |
| New borrowing from The Abbeyfield Society | | - | 3,950,000 |
| Repayment of borrowing from The Abbeyfield Society | | (353,700) | - |
| New borrowing from banks | | 4,368,714 | 2,350,000 |
| Interest paid on borrowings | | (296,437) | - |
| HCA grant received | | 447,486 | 83,898 |
| Payments regarding Old Salesians liability | | <u>64,684</u> | <u>(322,869)</u> |
| Net cash flow from financing activities | | <u>4,230,747</u> | <u>6,061,029</u> |
| Changes in cash and cash equivalents for the year | | 4,237,587 | (957,751) |
| Cash and cash equivalents at beginning of year | | <u>238,049</u> | <u>1,195,800</u> |
| Cash and cash equivalents at end of year | | <u>4,475,636</u> ===== | <u>238,049</u> ===== |

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2020

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, 82 York Road, Cheam, Surrey, 82 Mulgrave Road, Sutton, Surrey, The Old House, Epsom Road, Ewell, Surrey and Old Schools Lane, 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.

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2020
(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 accruals 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.

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2020
(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>2020</u> | <u>2019</u> |
|--|------------------|------------------|
| | £ | £ |
| Income receivable from letting of all units based on 100% occupancy | 729,879 | 675,996 |
| <u>Less:</u> vacancies and void losses | <u>(113,636)</u> | <u>(121,117)</u> |
| | 616,243 | 554,879 |
| Grants receivable | <u>30,000</u> | <u>15,000</u> |
| | <u>646,243</u> | <u>569,879</u> |
| | ===== | ===== |

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

4. INCOME FROM OTHER TRADING ACTIVITIES

| | <u>2020</u> | <u>2019</u> |
|-------------|-------------|-------------|
| | £ | £ |
| Fundraising | 7,004 | 4,586 |
| | ===== | ===== |

5. INVESTMENT INCOME

| | <u>2020</u> | <u>2019</u> |
|--------------------------------------|---------------|---------------|
| | £ | £ |
| Bank and short term deposits – gross | 2,248 | 817 |
| Income from investment property | <u>25,000</u> | <u>25,000</u> |
| | <u>27,248</u> | <u>25,817</u> |
| | ===== | ===== |

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2020
(continued)

| | | |
|--|------------------|---------------|
| 6. OTHER INCOME | <u>2020</u> | <u>2019</u> |
| | £ | £ |
| Sundry other income | 7,028 | 1,729 |
| Proceeds from sale of flats | <u>3,160,500</u> | <u>-</u> |
| | <u>3,167,528</u> | <u>1,729</u> |
| | ===== | ===== |
| | | |
| 7. COST OF RAISING FUNDS | <u>2020</u> | <u>2019</u> |
| | £ | £ |
| Fundraising costs | 2,923 | 2,124 |
| | ===== | ===== |
| | | |
| 8. EXPENDITURE ON CHARITABLE ACTIVITIES | <u>2020</u> | <u>2019</u> |
| | £ | £ |
| a) Direct costs | | |
| Food and household | 86,122 | 75,459 |
| Staff costs | 207,909 | 181,488 |
| Repairs and redecorations | 76,734 | 40,640 |
| Security | 42,202 | - |
| Rates and utilities | 125,660 | 46,430 |
| Insurance | 21,879 | 13,213 |
| Telephone | 3,906 | 3,744 |
| Catering costs | 63,838 | - |
| Sundries | 4,400 | 15,708 |
| Depreciation | <u>273,218</u> | <u>21,901</u> |
| | 905,868 | 398,583 |
| | ===== | ===== |
| | | |
| b) Support costs | | |
| Staff costs | 178,003 | 79,220 |
| Affiliation fees – The Abbeyfield Society | 21,588 | 16,215 |
| Advertising and marketing | 319 | 3,881 |
| Office expenses | 63,305 | 52,166 |
| Depreciation | 165 | 172 |
| Legal and professional fees | 65,485 | 84,448 |
| Freelance director | 18,425 | 35,550 |
| Miscellaneous expenses | <u>3,197</u> | <u>2,200</u> |
| | 350,487 | 273,852 |
| | ===== | ===== |

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2020
(continued)

| | | |
|---|------------------|------------------|
| 8. EXPENDITURE ON CHARITABLE ACTIVITIES <i>(continued)</i> | <u>2020</u> £ | <u>2019</u> £ |
| c) Governance costs | | |
| Audit fee | 10,000 | 10,000 |
| Miscellaneous | (1,824) | 93 |
| Insurance | <u>950</u> | <u>868</u> |
| | 9,126 | 10,961 |
| | ===== | ===== |
| 9. OTHER COSTS | <u>2020</u> £ | <u>2019</u> £ |
| Developments costs | | |
| Development costs written off | 61,366 | 159,918 |
| Sales and marketing | 78,748 | 111,344 |
| Financial arrangement and professional fees | 92,113 | 140,676 |
| Loan interest | 296,437 | 142,682 |
| Staff costs | 52,564 | 69,926 |
| Office expenses | 92,653 | 7,117 |
| Reversal of capital overprovision – prior year | (215,506) | - |
| Development costs for flats sold | 2,594,878 | - |
| Miscellaneous expenses | <u>4,749</u> | <u>4,895</u> |
| | 3,058,002 | 636,558 |
| | ===== | ===== |
| 10. STAFF COSTS (including officers) | <u>2020</u> £ | <u>2019</u> £ |
| Salaries | 407,334 | 308,385 |
| Social security costs | 25,566 | 17,983 |
| Pension contributions | <u>5,576</u> | <u>4,266</u> |
| | 438,476 | 330,634 |
| | ===== | ===== |
| Accounted for as: | | |
| Charitable activities - direct costs | 207,909 | 181,488 |
| Charitable activities - support costs | 178,003 | 79,220 |
| Development costs - charged to expenses | <u>52,564</u> | <u>69,926</u> |
| | 438,476 | 330,634 |
| | ===== | ===== |

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

ABBEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2020
(continued)

10. STAFF COSTS (including officers) (continued)

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

| | <u>2020</u> | <u>2019</u> |
|----------------------|-------------|-------------|
| Office | 5 | 5 |
| Social housing staff | <u>14</u> | <u>15</u> |
| | 19 | 20 |
| | ===== | ===== |

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>Assets under development</u> £ | <u>Fixtures, fittings & equipment</u> £ | <u>Total</u> |
|----------------------------------|---|--|--|--------------------|
| Cost/valuation | | | | |
| At 1.10.2019 | 2,200,000 | 6,000,667 | 141,888 | 8,342,555 |
| Additions | - | 263,084 | 1,105,592 | 1,368,676 |
| Transfer on practical completion | 5,057,136 | (5,057,136) | - | - |
| Transfers to current assets | <u>-</u> | <u>(1,206,615)</u> | <u>-</u> | <u>(1,206,615)</u> |
| At 30.9.2020 | <u>7,257,136</u> | <u>-</u> | <u>1,247,480</u> | <u>8,504,616</u> |
| Housing Association Grant | | | | |
| At 1.10.2019 | 742,057 | 803,898 | - | 1,545,955 |
| Additions | - | 447,486 | - | 447,486 |
| Transfer on practical completion | <u>1,251,384</u> | <u>(1,251,384)</u> | <u>-</u> | <u>-</u> |
| At 30.9.2020 | <u>1,993,441</u> | <u>-</u> | <u>-</u> | <u>1,993,441</u> |
| Depreciation | | | | |
| At 1.10.2019 | 27,093 | - | 104,322 | 131,415 |
| Charge for year | <u>231,740</u> | <u>-</u> | <u>41,643</u> | <u>273,383</u> |
| At 30.9.2020 | <u>258,833</u> | <u>-</u> | <u>145,965</u> | <u>404,798</u> |
| Net book value | | | | |
| At 30.9.2020 | 5,004,862 | - | 1,101,515 | 6,106,377 |
| | ===== | ===== | ===== | ===== |
| At 30.9.2019 | 1,430,850 | 5,196,769 | 37,566 | 6,665,185 |
| | ===== | ===== | ===== | ===== |

The valuation of freehold operating properties brought forward shown above of £2,200,000 (2019: £2,200,000) includes £440,000 (2019: £440,000) attributed to the land element of the properties as estimated by the Trustees. The freehold operating properties brought forward were revalued at 30th 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 2020
(continued)

| 13. DEBTORS | <u>2020</u> £ | <u>2019</u> £ |
|---|------------------|------------------|
| VAT recoverable | - | 34,184 |
| Sundry debtors and prepayments | <u>81,787</u> | <u>34,546</u> |
| | 81,787 | 68,730 |
| | ===== | ===== |
| | | |
| 14. CREDITORS: amounts falling due within one year: | <u>2020</u> £ | <u>2019</u> £ |
| Taxes and social security costs | 34,672 | 5,624 |
| Other creditors and accruals | <u>965,606</u> | <u>1,225,784</u> |
| | 1,000,278 | 1,231,408 |
| | ===== | ===== |
| | | |
| 15. CREDITORS: amounts falling due after more than one year: | <u>2020</u> £ | <u>2019</u> £ |
| Loan from The Abbeyfield Society | 4,646,300 | 5,000,000 |
| Bank loans | 6,718,714 | 2,350,000 |
| Other creditors | <u>280,340</u> | <u>215,656</u> |
| | 11,645,354 | 7,565,656 |
| | ===== | ===== |

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.

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2020
(continued)

16. ACCUMULATED FUNDS - UNRESTRICTED

| | Amenity Funds | Major Repairing Reserve | Property Revaluation Reserve | General Fund | Total |
|---------------------------------------|------------------|-------------------------------|------------------------------------|-----------------|--------------|
| | £ | £ | £ | £ | £ |
| Balance at 1.10.2019 | 66,002 | 348,367 | 860,458 | 5,894,931 | 7,169,758 |
| Income | 1,982 | - | - | 3,847,471 | 3,849,453 |
| Expenditure | (4,975) | - | - | (4,321,431) | (4,326,406) |
| Balance at 30.9.2020 | 63,009 | 348,367 | 860,458 | 5,420,971 | 6,692,805 |
| | ===== | ===== | ===== | ===== | ===== |
| Summary of Net Assets by Fund: | | | | | |
| Fixed assets | - | - | 860,458 | 5,245,919 | 6,106,377 |
| Net current assets /(liabilities) | 63,009 | 348,367 | - | 11,820,406 | 12,231,782 |
| Long term liabilities | - | - | - | (11,645,354) | (11,645,354) |
| | 63,009 | 348,367 | 860,458 | 5,420,971 | 6,692,805 |
| | ===== | ===== | ===== | ===== | ===== |

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.

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2020
(continued)

17. ACCUMULATED FUNDS - RESTRICTED

| | £ |
|---------------------------------------|----------------|
| Balance at 1.10.2019 and at 30.9.2020 | 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 | |
|--|----------------------------|-----------|------------------------|-----------|
| | 30.9.2020 | 30.9.2019 | 30.9.2020 | 30.9.2019 |
| Social Housing Accommodation Number of bed spaces, excluding housekeeper and guest rooms | - | 24 | 60 | 36 |

19. CASH GENERATED FROM OPERATIONS

| | <u>2020</u> | <u>2019</u> |
|---|---------------|----------------|
| | £ | £ |
| Net movement in funds for the year | (476,953) | (719,347) |
| Adjustments for: | | |
| Depreciation of tangible assets | 273,383 | 22,073 |
| Gain on properties developed for resale | (565,622) | - |
| Loan interest paid | 296,437 | - |
| Investment income | (27,248) | (25,817) |
| | (23,050) | (3,744) |
| Changes in: | | |
| Stock | (7,597) | 1,200 |
| Other debtors | (13,057) | (14,220) |
| Other creditors | <u>56,364</u> | <u>303,809</u> |
| | <u>35,710</u> | <u>290,789</u> |
| Net cashflow from operating activities | (464,293) | (432,302) |
| | ===== | ===== |

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2020
(continued)

20. 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.

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.