

**Charity registration number 247308**

**Company registration number 00734705 (England and Wales)**

**ABBNEYFIELD SOUTHERN OAKS**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

# ABBNEYFIELD SOUTHERN OAKS

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	N C L Macdonald S L Eagle S J Moore D K L Horne J W Mann A F Carrington Dr A M Hoy M C Angus C N Shore L Maggs G A J Walker Dr M W Wakerley A S Parsons	(Appointed 17 August 2022) (Appointed 8 August 2022) (Appointed 6 July 2022)           (Appointed 12 December 2022)
<b>Charity number</b>	247308	
<b>Company number</b>	00734705	
<b>Regulator of Social Housing number</b>	H1185	
<b>Registered office</b>	Nonsuch Abbeyfield Old Schools Lane Ewell Epsom Surrey KT17 1FL	
<b>Auditor</b>	FLB Accountants LLP 250 Wharfedale Road Winnersh Triangle Wokingham Berkshire RG41 5TP	

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# ABBNEYFIELD SOUTHERN OAKS

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# ABBNEYFIELD SOUTHERN OAKS

## CHAIRMAN'S STATEMENT

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### **Introduction**

Following the unexpected resignation for family reasons of our Chairman Tim Howe announced at our last AGM, we accepted the request to take the helm jointly, on an interim basis. We now present our report and that of the Trustees for the year ending 30<sup>th</sup> September 2022.

We are indebted to Tim for the work, time and input he gave to ASO during his tenure. It was a challenging time, and we are grateful to him for the guidance and insight he provided to the Board and all our staff and volunteers.

Tim's departure stimulated the Board to undertake a major review of our structure and the way we work, which led to some significant changes.

After extensive discussions amongst Trustees and with Martin King (our Director of Business Operations), and Mandy Coe (our Finance Manager), we agreed to restructure the ongoing management of our operations to give them both a clearer framework for their management responsibilities whilst continuing the process of professionalising and renewing our Trustee body.

#### **Renewal of our Trustee Board and its Services Committee**

We have been very fortunate to be able to recruit John Mann who now looks after all our properties; Doug Horne who now looks after our Marketing, Sales and Communications; Stephen Eagle who looks after our Hospitality and Catering; and Sue Moore as Deputy Company Secretary and experienced project manager. More recently we have asked Andy Parsons to serve as our Finance Trustee. All these new Trustees bring relevant professional experience and skills that will strengthen our Board and help us to handle the challenges and opportunities that lie ahead.

These Trustees along with Andrew Hoy, Anne Carrington, Margaret Angus, Martin and Mandy now form the Services Committee. This Committee, under the leadership of Nick Shore, now has day-to-day responsibility for running the operational side of our society and for co-ordinating the various improvement projects in consultation with Martin and Mandy. It meets formally each month, but much activity takes place in between meetings. The changes have been well received by all concerned and we are glad to report that they are working well.

#### **A farewell to two long-standing Trustees**

We were sorry to say farewell to Maurice Pagella and his wife Mary Boorman. It is difficult for those not involved in the development at Nonsuch to appreciate the total commitment and contribution they made in making it all happen and subsequently in the formal Grand Opening of the new building. Mary led in all aspects of customer-led design and marketing and Maurice in strategic and financial management. We greatly appreciate Maurice's 20 plus years of service to ASO and its predecessor societies and wish both Maurice and Mary well for the future.

#### **Operating in difficult times**

The coronavirus pandemic continued to disrupt all our attempts to return to a more normal life in the early part of this financial year. However, all our staff once again rose to the challenge and managed to keep our houses largely Covid free, whilst continuing to provide the services and experience that our residents expect. We are also grateful for the continuing patience and understanding shown by residents, their families and friends.

Despite all the difficulties, we managed to continue our steady progress in filling Nonsuch Abbeyfield and it was completely full by the end of the second quarter of 2022. Regaining full occupancy has continued to be more difficult in our Supported Houses, following the serious vacancy problem that arose during the pandemic. During that lengthy time, when residents left us for care homes or other reasons, we were not able to welcome new residents and that did not change until well into the financial year on which we now report. So for the year as a whole we had to carry a significantly larger number of vacancies than usual and this has had significant adverse financial consequences.

However, in more recent months there has been an increased level of interest and the level of occupancy has been rising steadily as older people once again come to realise the benefits of the lifestyle that Abbeyfield Southern Oaks (ASO) offers. We are thus hopeful that occupancy rates will return to normal by the end of the current financial year.

Whilst we are fortunate to have substantial reserves, it is our wish to see every one of the facilities we offer being fully utilised, as that will provide the firm and regular financial base we aim for to support our ambitions of both continuing to develop a strong, cost-effective and vibrant environment for all our residents and of expanding our services.

# ABBEYFIELD SOUTHERN OAKS

## CHAIRMAN'S STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### ***The Abbeyfield Society***

There have also been developments within The Abbeyfield Society (TAS) the lead body co-ordinating the Abbeyfield movement internationally. These include significant changes in the structure of TAS and the way it operates. There have also been ongoing discussions with member societies as to how the movement should be developed to support the needs and aims of individual societies.

We hope that the future arrangements of TAS will enable greater cohesion within the movement as a whole and we also hope that the new arrangements will be able to provide the support and facilities that we believe member societies need.

#### ***Covid pandemic***

This continued to dominate our lives for much of the year. The response of our staff – from the most senior managers to the cleaners and handyman – also continued to be outstanding. All of them in their own way went above and beyond the normal requirements of their jobs with the sole purpose of keeping our residents safe. We are very pleased to say that they were almost entirely successful, and apart from a few isolated outbreaks of the virus which were contained and did not spread to other residents, we managed to keep our residents safe and virus free. All our staff can be rightly proud of this achievement.

#### ***Nonsuch Abbeyfield***

The other really tremendous achievement was completing the full occupation of Nonsuch. This was managed against the backdrop of all the restrictions and obstacles that the Covid virus presented unexpectedly at the very moment that we were first opening. We cannot over emphasise how big an accomplishment it was to achieve full occupancy even as the pandemic was ending and we know that we have performed far better than most commercial entities with similar developments. The sales team was expertly led by one of our Trustees, Mary Boorman, supported by Barbara Merritt, a sales consultant with Hamptons (who has now joined us as an employee). On the rental side, Martin King our Director of Business Operations and Jo Taylor, the Community Manager performed equally well, and the rental units were fully occupied in October 2021. This was a tremendous achievement by the whole team.

#### ***Minibus***

Finally, we have been able to put our first minibus to increasing use. This was acquired as a result of the generous donation from the estate of Eveline Walker, a former Trustee of a predecessor Society. Full use of the minibus has been hampered by the restrictions of the pandemic, but now, thanks to the hard work of long-standing Trustee Malcolm Wakerley, we are seeking to build up a rota of volunteer drivers to manage regular trips to places such as vineyards, local theatres and cinemas, and regular shopping centres.

#### ***Looking forward to 2022/23***

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

#### ***Apart from that we will continue to:***

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

# ABBNEYFIELD SOUTHERN OAKS

## CHAIRMAN'S STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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***Some special words of thanks***

Although their roles (and that of the key Services Committee) have been described above, we cannot complete this report without paying tribute to the huge amount of work that Martin King and Mandy Coe, as the Director of Business Operations and Finance Manager respectively, have put into our whole operation under the most trying of circumstances. They have worked tirelessly and effectively, and we want to put on record our appreciation of all they have done. They have been greatly supported by the whole team, not least by Joanne Taylor our Community Manager, in running the Supported Houses and Nonsuch.

However, we are not complacent, for this continues to be a challenging and exciting time for our Society. If you would like to joins us as a Volunteer, as a Trustee or as a Resident we would love to hear from you.

Nigel Macdonald and Graham Walker  
Joint Chairs – Abbeyfield Southern Oaks

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*Nigel Macdonald*

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*Graham Walker*

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# **ABBNEYFIELD SOUTHERN OAKS**

## **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)**

### ***FOR THE YEAR ENDED 30 SEPTEMBER 2022***

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The Trustees present their annual report and audited financial statements of the Society for the year ended 30 September 2022. This should be read in conjunction with the Co-Chair's report above.

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

#### **Objectives and activities**

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

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

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

#### **The year in review**

The value and importance of our communal living offering for older people had become even more apparent during the time of enforced restriction on the normal freedoms of daily life, and our residents recognised and accepted the need for the constraints on their freedom to keep our homes as safe as possible, despite the inevitable frustrations that created. The gradual easing of restrictions and the ability to move outside was cautiously welcomed by our residents and allowed us to welcome new residents at all our facilities and to resume normal activities.

Even though the effects of covid continued to be felt across all our 4 supported houses and at Nonsuch Abbeyfield, our new facility, in the early parts of the financial year, and despite all the problems, we have made significant progress. We have full occupation at Nonsuch and increasing occupancy in our supported houses. There will always be higher turnover in our residents in the supported houses, as people's needs change as they have to move to care homes or leave for similar reasons. We are reviewing our marketing as well as the quality of our supported houses to ensure they are attractive to potential residents in the post covid world.

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

Our four supported houses have continued to operate during the year benefitting from a stable staffing structure and the continuing support of committed teams of volunteers. We started the year with 12 vacancies of the total capacity of 36 and ended the year with 9 vacancies out of 37. The capacity increased by letting out a manager flat and we hope to add at least two more during this year. The vacant rooms are all ready for occupation and we have welcomed a number of new tenants since September and have several applicants ready for trial stays.

## **ABBNEYFIELD SOUTHERN OAKS**

### **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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Nonsuch Abbeyfield has also continued to operate effectively during the year despite the Covid-19 constraints in the early part of the year restricting the activities and services for residents, although the restaurant service has operated throughout with regular events taking place, facilitated by the residents and with support from staff and volunteers – all of course regulated in compliance with our Covid-19 policies.

At the start of the financial year 42 apartments at Nonsuch Abbeyfield were occupied (22 leaseholder and 20 affordable rentals). Residents continued to move in throughout the year and at year end all the apartments had been occupied although 1 rental had become vacant by year end.

We now have accommodation for 37 older people in our 4 supported houses and 60 apartments in Nonsuch Abbeyfield, together capable of accommodating over 100 residents.

The challenge as we emerged from the time of extraordinary constraints continues to be delivering the range of services at all our facilities that enhance the lives of all our residents.

As of 30th September 2022, the Society had managed, through a steady flow of apartment sales, to pay off much of our loans leaving only £3,153,248 of Term debt. The distribution of sales proceeds in October 2021 completed the development loans from the Unity Trust Bank and Charity Bank, and the remaining balance of £3.25m converted to a term debt facility. Further sales in the final 3 months of 2021 allowed us to repay The Abbeyfield Society loan in full in December 2021, 4 months before the end of the loan term in April 2022.

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

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

#### **Overview of performance and financial position**

The result for the year is a £106k surplus (2021 as restated: £84k surplus). So long as our operations continue to be disrupted by increasing utility costs and general inflation, along with our remaining defects arising from the construction of Nonsuch Abbeyfield and a wide ranging review of our supported houses, we cannot be totally confident of a net operating surplus in the short-term. The Board monitors operating contribution and has commenced a review of our supported housing portfolio to ensure it remains viable in the changing market conditions. During 2022/23 the Trustees will review the Society's strategy for further capacity and service growth, particularly in the light of the results of the strategic review of the wider national Abbeyfield movement that has continued to progress in 2022.

The Board closely monitors the operations of all our activities and works with our Finance Manager to ensure we are aware of issues which will impact the overall results by understanding variances from our detailed budgets and to agree appropriate action.

We finalised the account with our development contractor in July 2021, agreeing £189k of Liquidated and Ascertained Damages, which we recognised last year. At the start of the year, we held a retention of 1.5% of the contract value, £187k, on our balance sheet in recognition of the outstanding snagging and latent defect works. There are a number of remaining defects and because the contractor went into liquidation in October 2021, we are working with the administrators and their agents, to justify our entitlement to this amount in full to complete the rectification works.

The Society managed its working capital and cash flow to ensure that its financial commitments were met during the year. Our balance sheet continues to be strong with significant property assets and good cash reserves. We are working hard to manage our cost base to maintain these balances whilst our income growth was hindered due to the pandemic. Our aim is to consider new projects in the future at a pace in line with the Board's approach to risk.

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

## **ABBNEYFIELD SOUTHERN OAKS**

### **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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#### **Employees**

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

The number of full-time equivalent employees ("FTEs") is the same as last year. As of 30th September 2022, the total number of FTE employees the Society had was 14.5 with 10 full time employees and 11 part time employees (2021: FTEs 14.5).

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

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

#### **Health and Safety**

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

There were no RIDDOR reportable Health and Safety incidents in the year ended 30th September 2022 (2021: Nil).

#### **Reserves**

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

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

After transfer of the surplus for the year of £106k (2021 as restated: £84k), and other transfers at the year-end, revenue reserves increased to £7,086k (2021 as restated: £6,980k), including restricted reserves of £6.1k (2021: £6.1k).

#### **Treasury management**

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

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

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

# ABBNEYFIELD SOUTHERN OAKS

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### **Cash flow and liquidity and Security**

The statement of cash flows on page 19 of the financial statements shows that during the year the Society generated net cash inflow from operating activities of £839k (2021 as restated: -£51k).

### **Going concern**

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

### **Strategic Review**

During 2019, The Abbeyfield Society initiated a review of the Strategy for the future focus and development of the Abbeyfield community of societies. The aim of the review is to ensure that it is up to date and relevant in the current social and economic climate. The Board is participating in these discussions and will be reviewing its own strategy and plans considering its findings in the coming year.

### **Risk Management**

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

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

### **Value for Money**

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

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

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

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

### **Structure, governance and management**

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

The Society is a registered charity, a registered housing association, and a company limited by guarantee which does not have a share capital. Every member of the Society undertakes to contribute an amount not exceeding £1 to the assets of the Society in the event of winding up. The total number of such members at 30th September 2022 was 48 (2021: 48).

## **ABBNEYFIELD SOUTHERN OAKS**

### **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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

N C L Macdonald

S L Eagle

(Appointed 17 August 2022)

S J Moore

(Appointed 8 August 2022)

D K L Horne

(Appointed 6 July 2022)

J W Mann

J Macdonald

(Resigned 21 December 2022)

A F Carrington

Dr A M Hoy

M C Angus

C N Shore

L Maggs

G A J Walker

Dr M W Wakerley

M Pagella

(Retired 21 July 2022)

M Boorman

(Retired 21 July 2022)

T Howe

(Retired 17 March 2022)

A S Parsons

(Appointed 12 December 2022)

In accordance with the Memorandum and Articles of Association, re-elections will be established at the Annual General Meeting, which will be held at 4.00 pm on 13 March 2023.

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

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

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

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

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

# ABBNEYFIELD SOUTHERN OAKS

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### Statement of Trustees responsibilities

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

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

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

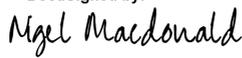
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Housing SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

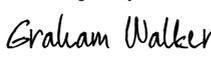
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets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

### Disclosure of information to auditor

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

The Trustees report was approved by the Board of Trustees.

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N C L Macdonald  
**Trustee**

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G A J Walker  
**Trustee**

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# ABBEYFIELD SOUTHERN OAKS

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS

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#### Opinion

We have audited the financial statements of Abbeyfield Southern Oaks (the 'charity') for the year ended 30 September 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2019.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

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

We have nothing to report in this regard.

# ABBEYFIELD SOUTHERN OAKS

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

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of Trustees**

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

### **Auditor's responsibilities for the audit of the financial statements**

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

# ABBEYFIELD SOUTHERN OAKS

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

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

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

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

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

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

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

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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**Daniel Faust (Senior Statutory Auditor)**  
for and on behalf of FLB Accountants LLP

20/2/2023 | 09:42 GMT  
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**Chartered Accountants**  
**Statutory Auditor**

250 Wharfedale Road  
Winnersh Triangle  
Wokingham  
Berkshire  
RG41 5TP

# ABBNEYFIELD SOUTHERN OAKS

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total as restated 2021 £
<b>Income and endowments from:</b>							
Donations and legacies	<b>3</b>	63,629	-	63,629	130,514	-	130,514
Charitable activities	<b>4</b>	1,361,755	-	1,361,755	965,566	-	965,566
Other trading activities	<b>5</b>	113,990	-	113,990	48,341	-	48,341
Investments	<b>6</b>	34,987	-	34,987	29,017	-	29,017
Other income	<b>7</b>	4,000,000	-	4,000,000	5,827,000	-	5,827,000
<b>Total income</b>		<b>5,574,361</b>	<b>-</b>	<b>5,574,361</b>	<b>7,000,438</b>	<b>-</b>	<b>7,000,438</b>
<b>Expenditure on:</b>							
Raising funds	<b>8</b>	240	-	240	53	-	53
Charitable activities	<b>9</b>	1,748,814	-	1,748,814	1,484,349	-	1,484,349
Other	<b>11</b>	3,719,392	-	3,719,392	5,431,851	-	5,431,851
<b>Total expenditure</b>		<b>5,468,446</b>	<b>-</b>	<b>5,468,446</b>	<b>6,916,253</b>	<b>-</b>	<b>6,916,253</b>
<b>Net income for the year/ Net movement in funds</b>		<b>105,915</b>	<b>-</b>	<b>105,915</b>	<b>84,185</b>	<b>-</b>	<b>84,185</b>
Fund balances at 1 October 2021		6,974,044	6,142	6,980,186	6,889,859	6,142	6,896,001
<b>Fund balances at 30 September 2022</b>		<b>7,079,959</b>	<b>6,142</b>	<b>7,086,101</b>	<b>6,974,044</b>	<b>6,142</b>	<b>6,980,186</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

**ABBNEYFIELD SOUTHERN OAKS****BALANCE SHEET****AS AT 30 SEPTEMBER 2022**

	Notes	2022		2021 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15		7,558,355		7,843,321
<b>Current assets</b>					
Stocks	17	8,336		6,473	
Properties under development for resale		-		3,497,124	
Debtors	18	27,196		471,908	
Cash at bank and in hand		5,263,506		4,424,803	
			5,299,038		8,400,308
<b>Creditors: amounts falling due within one year</b>	19	(3,826,638)		(4,141,987)	
Net current assets			1,472,400		4,258,321
<b>Total assets less current liabilities</b>			9,030,755		12,101,642
<b>Creditors: amounts falling due after more than one year</b>	20		(1,944,654)		(5,121,456)
<b>Net assets</b>			7,086,101		6,980,186
<b>Income funds</b>					
Restricted funds	24		6,142		6,142
<u>Unrestricted funds</u>					
Designated funds	26	597,102		548,896	
General unrestricted funds		5,622,399		5,564,690	
Revaluation reserve		860,458		860,458	
			7,079,959		6,974,044
			7,086,101		6,980,186

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The financial statements were approved by the Trustees on .....

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N C L Macdonald

Trustee

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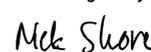


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Trustee

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Trustee

Company registration number 00734705

**ABBNEYFIELD SOUTHERN OAKS****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Notes	2022		2021 As restated	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	28		336,216		(388,546)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(18,885)		(53,836)	
Proceeds from sale of development properties		4,000,000		5,422,000	
Investment income received		9,987		29,017	
<b>Net cash generated from investing activities</b>			3,991,102		5,397,181
<b>Financing activities</b>					
Repayment of borrowings				(1,926,720)	
Repayment of bank loans		(3,394,161)		(2,890,885)	
Interest paid on borrowings		(94,454)		(241,863)	
<b>Net cash used in financing activities</b>			(3,488,615)		(5,059,468)
<b>Net increase/(decrease) in cash and cash equivalents</b>			838,703		(50,833)
Cash and cash equivalents at beginning of year			4,424,803		4,475,636
<b>Cash and cash equivalents at end of year</b>			5,263,506		4,424,803

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 1 Accounting policies

#### Charity information

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

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

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

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

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

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

#### 1.1 Accounting convention

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

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

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

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

#### SORP Departure

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

The Statement of Changes in Reserves required under the Housing SORP has also been omitted, however this information is presented in Notes 24, 25 & 26 of the financial statements.

#### 1.2 Going concern

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

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 1 Accounting policies

(Continued)

##### 1.3 Charitable funds

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

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

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

##### 1.4 Income

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

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

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

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

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

Interest income is recognised using the effective interest rate method.

##### 1.5 Expenditure

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

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

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 1 Accounting policies

(Continued)

##### 1.6 Tangible fixed assets

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

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

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

Freehold land and buildings	Straight line over 5 to 50 years
Fixtures, fittings and equipment	Straight line over 5 to 10 years
Motor vehicles	Straight line over 5 years

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

Freehold land is not depreciated.

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

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

##### 1.7 Impairment of fixed assets

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

##### 1.8 Stocks

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

##### 1.9 Cash and cash equivalents

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

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 1 Accounting policies

(Continued)

##### 1.10 Financial instruments

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

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

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

##### **Basic financial assets**

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

##### **Basic financial liabilities**

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

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

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

##### **Derecognition of financial liabilities**

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

##### 1.11 Retirement benefits

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

##### 1.12 Properties under development for resale

Property in the course of development and completed units are valued at the lower of cost and net realisable value. Direct cost comprises the cost of land, raw materials and development costs but excludes indirect overheads. Provision is made, where appropriate, to reduce the value of properties under development and work in progress to their net realisable value.

##### 1.13 Government Grants - Social Housing Grants

The Society is in receipt of Social Housing Grants, formerly called Housing Association Grants (HAG).

Where developments have been wholly or partially funded by such grants, the grant is recognised as income over the useful life of the property which is funded in accordance with the accruals model.

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

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 2 Critical accounting estimates and judgements

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

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

#### Key sources of estimation uncertainty

##### Useful economic lives

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

### 3 Donations and legacies

	<b>Unrestricted funds 2022 £</b>	Unrestricted funds as restated 2021 £
Donations and gifts	23,760	90,645
Government grants receivable	39,869	39,869
	<u>63,629</u>	<u>130,514</u>

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

### 4 Charitable activities

	<b>Charitable Income 2022 £</b>	Charitable Income 2021 £
Income receivable from letting of units	1,361,755	965,566
	<u>1,361,755</u>	<u>965,566</u>

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 5 Other trading activities

	<b>Unrestricted funds 2022 £</b>	Unrestricted funds 2021 £
Other services	113,990	48,341
	<u>113,990</u>	<u>48,341</u>

### 6 Investments

	<b>Unrestricted funds 2022 £</b>	Unrestricted funds 2021 £
Lease premium income	25,000	25,000
Interest receivable	9,987	4,017
	<u>34,987</u>	<u>29,017</u>

### 7 Other income

	<b>Unrestricted funds 2022 £</b>	Unrestricted funds 2021 £
Proceeds from sale of flats	4,000,000	5,827,000
	<u>4,000,000</u>	<u>5,827,000</u>

### 8 Raising funds

	<b>Unrestricted funds 2022 £</b>	Unrestricted funds 2021 £
Fundraising costs	240	53
	<u>240</u>	<u>53</u>

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 9 Charitable activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Staff costs	240,317	240,800
Depreciation and impairment	337,951	208,592
Food and household	133,400	133,554
Repairs and redecoration	132,015	120,556
Rates and utilities	139,903	172,091
Insurance	24,485	24,552
Telephone	20,854	19,942
Catering costs	254,890	144,044
Sundries	55,439	40,227
Affiliation fees	21,957	11,952
	<u>1,361,211</u>	<u>1,116,310</u>
Share of support costs (see note 10)	375,827	351,269
Share of governance costs (see note 10)	11,776	16,770
	<u>1,748,814</u>	<u>1,484,349</u>

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

### 10 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Staff costs	264,904	-	264,904	274,596	-	274,596
Depreciation	-	-	-	165	-	165
Miscellaneous expenses	9,205	-	9,205	7,076	-	7,076
Office expenses	38,285	-	38,285	47,041	-	47,041
Legal and professional fees	63,433	-	63,433	22,391	-	22,391
Audit fees	-	6,356	6,356	-	15,873	15,873
Insurance	-	-	-	-	546	546
Miscellaneous	-	5,420	5,420	-	351	351
	<u>375,827</u>	<u>11,776</u>	<u>387,603</u>	<u>351,269</u>	<u>16,770</u>	<u>368,039</u>
Analysed between Charitable activities	<u>375,827</u>	<u>11,776</u>	<u>387,603</u>	<u>351,269</u>	<u>16,770</u>	<u>368,039</u>

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 11 Other

	<b>Unrestricted funds 2022</b>	Unrestricted funds 2021
Development costs for flats sold	3,497,128	5,031,989
Loan interest	94,454	241,862
Other expenditure	127,810	158,000
	<u>3,719,392</u>	<u>5,431,851</u>

### 12 Auditor's remuneration

<b>Fees payable to the charity's auditor and associates:</b>	<b>2022</b>	<b>2021</b>
	£	£
Audit of the charity's annual accounts	10,000	7,500
	<u>10,000</u>	<u>7,500</u>
<b>Non-audit services</b>		
All other non-audit services	3,500	3,000
	<u>3,500</u>	<u>3,000</u>

### 13 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2021: Nil)

### 14 Employees

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

	<b>2022</b>	<b>2021</b>
	Number	Number
Office	6	4
Social housing staff	13	14
	<u>19</u>	<u>18</u>

<b>Employment costs</b>	<b>2022</b>	<b>2021</b>
	£	£
Wages and salaries	459,376	466,113
Social security costs	38,629	39,737
Other pension costs	6,311	8,187
	<u>504,316</u>	<u>514,037</u>

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 14 Employees

(Continued)

The total remuneration (including pension contributions) for key management personnel amounted to £153,978 (2021: £146,316).

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

	2022 Number	2021 Number
£70,001 to £80,000	2	2

### 15 Tangible fixed assets

	Freehold land and buildings	Fixtures, Motor vehicles fittings and equipment	Total
	£	£	£
<b>Cost</b>			
At 1 October 2021	7,202,347	1,252,116	8,469,343
Additions	34,100	18,885	52,985
Disposals	-	(33,902)	(33,902)
At 30 September 2022	7,236,447	1,237,099	8,488,426
<b>Depreciation and impairment</b>			
At 1 October 2021	355,627	267,419	626,022
Depreciation charged in the year	353,387	(18,566)	337,797
Eliminated in respect of disposals	-	(33,748)	(33,748)
At 30 September 2022	709,014	215,105	930,071
<b>Carrying amount</b>			
At 30 September 2022	6,527,433	1,021,994	7,558,355
At 30 September 2021	6,846,720	984,697	7,843,321

Under the terms of loan agreements with Unity Trust Bank, arranged to finance the development of the Nonsuch Abbeyfield community, the assets of the Society have been charged under senior debt fixed and floating charges to Unity Trust.

The valuation of freehold operating properties brought forward shown above of £5,208,906 (2021: £5,163,695) includes £1,718,621 (2021: £1,718,621) attributed to the land element of the properties as estimated by the Trustees.

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

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

<b>16</b>	<b>Financial instruments</b>		<b>2022</b>	<b>2021</b>
			£	£
	<b>Carrying amount of financial assets</b>			
	Measured at amortised cost		2,025	427,250
			<u>          </u>	<u>          </u>
	<b>Carrying amount of financial liabilities</b>			
	Measured at amortised cost		5,752,583	6,115,678
			<u>          </u>	<u>          </u>
<b>17</b>	<b>Stocks</b>		<b>2022</b>	<b>2021</b>
			£	£
	Restaurant and shop stock		8,336	6,473
			<u>          </u>	<u>          </u>
<b>18</b>	<b>Debtors</b>		<b>2022</b>	<b>2021</b>
			£	£
	<b>Amounts falling due within one year:</b>			
	Trade debtors		(7,389)	8,358
	Other debtors		2,025	418,892
	Prepayments and accrued income		32,560	44,658
			<u>          </u>	<u>          </u>
			27,196	471,908
			<u>          </u>	<u>          </u>
<b>19</b>	<b>Creditors: amounts falling due within one year</b>		<b>2022</b>	<b>2021</b>
			£	£
		<b>Notes</b>		
	Bank loans	<b>21</b>	3,153,248	690,895
	Other borrowings		-	2,719,580
	Other taxation and social security		11,320	10,831
	Government grants	<b>22</b>	39,869	39,869
	Trade creditors		100,960	113,602
	Other creditors		161,440	246,645
	Accruals and deferred income		359,801	320,565
			<u>          </u>	<u>          </u>
			3,826,638	4,141,987
			<u>          </u>	<u>          </u>
<b>20</b>	<b>Creditors: amounts falling due after more than one year</b>		<b>2022</b>	<b>2021</b>
			£	£
		<b>Notes</b>		
	Bank loans	<b>21</b>	-	3,136,934
	Government grants	<b>22</b>	1,664,314	1,704,182
	Other creditors		280,340	280,340
			<u>          </u>	<u>          </u>
			1,944,654	5,121,456
			<u>          </u>	<u>          </u>

**ABBNEYFIELD SOUTHERN OAKS****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022****21 Loans and overdrafts**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans	3,153,248	3,827,829
Loans from related parties	-	2,719,580
	<u>3,153,248</u>	<u>6,547,409</u>
Payable within one year	3,153,248	3,410,475
Payable after one year	-	3,136,934
	<u>3,153,248</u>	<u>3,136,934</u>

The amount of the bank loan repayable after five years is £nil (2021: £2,650,917).

During the year, the bank loans were converted from development loans to term loans. The term bank loans have a fixed interest rate of 1.9% over the base interest rate.

The bank loans are secured on the Society's properties.

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

**22 Government grants**

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

These grants may be repayable in the event that the relevant property is sold, or the Society ceases to use it for social housing, or if certain other relevant events take place, but can be rolled over into other purchases or development activities in certain circumstances. The total value of the grants awarded to the charity is £1,993,441 (2021: £1,993,441).

Deferred income is included in the financial statements as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>as restated</b>
		<b>£</b>
Deferred income is included within:		
Current liabilities	39,869	39,869
Non-current liabilities	1,664,314	1,704,182
	<u>1,704,183</u>	<u>1,744,051</u>
Movements in the year:		
Deferred income at 1 October	1,744,051	1,783,920
Released from previous periods	(39,868)	(39,869)
Deferred income at 30 September	<u>1,704,183</u>	<u>1,744,051</u>

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 23 Retirement benefit schemes

#### Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £6,311 (2021: £8,187).

### 24 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		Balance at 30 September 2022
	Balance at 1 October 2020	Incoming resources	Balance at 1 October 2021	Incoming resources	
	£	£	£	£	£
The Old House Legacy	6,142	-	6,142	-	6,142

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

### 25 Unrestricted funds

	Balance at 1 October 2020	Resources expended	Transfers	Balance at 1 October 2021	Movement in funds		Balance at 30 September 2022
					Incoming resources	Resources expended	
	£	£	£	£	£	£	£
General fund	5,420,971	(6,782,181)	(6,869,151)	5,564,691	5,510,300	(5,452,591)	5,622,400

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 26 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			Movement in funds			Balance at 30 September 2022
	Balance at 1 October 2020	Incoming resources	Resources expended	Balance at 1 October 2021	Incoming resources	Resources expended	
	£	£	£	£	£	£	£
Amenity Funds	63,009	3,004	(37,021)	28,992	7,138	(2,192)	33,938
Major Repair Reserves	348,367	85,385	-	433,752	56,923	-	490,675
Resident Transport Reserve	-	90,000	(3,848)	86,152	-	(13,663)	72,489
	<u>411,376</u>	<u>178,389</u>	<u>(40,869)</u>	<u>548,896</u>	<u>64,061</u>	<u>(15,855)</u>	<u>597,102</u>

#### Amenity Funds

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

#### Major Repairing Reserve

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

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

#### Resident Transport Reserve

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

### 27 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 30 September 2022 are represented by:						
Tangible assets	7,558,355	-	7,558,355	7,843,321	-	7,843,321
Current assets/(liabilities)	1,466,258	6,142	1,472,400	4,252,179	6,142	4,258,321
Long term liabilities	(1,944,654)	-	(1,944,654)	(5,121,456)	-	(5,121,456)
	<u>7,079,959</u>	<u>6,142</u>	<u>7,086,101</u>	<u>6,974,044</u>	<u>6,142</u>	<u>6,980,186</u>

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

<b>28 Cash generated from operations</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Surplus for the year	105,915	84,185
Adjustments for:		
Investment income recognised in statement of financial activities	(34,987)	(29,017)
Loan interest paid	94,454	241,863
Gain on disposal of tangible fixed assets	(502,872)	(637,011)
Write off fixed asset additions	-	89,109
Grant income receivable	(39,869)	(39,869)
Loss/(profit) on sale of tangible fixed assets	154	-
Depreciation and impairment of tangible fixed assets	337,797	208,757
Movements in working capital:		
(Increase)/decrease in stocks	(1,863)	1,124
Decrease in debtors	444,710	948
(Decrease) in creditors	(67,223)	(308,635)
<b>Cash generated from/(absorbed by) operations</b>	<b>336,216</b>	<b>(388,546)</b>

<b>29 Analysis of changes in net funds/(debt)</b>	<b>At 1 October</b>	<b>Cash flows At 30 September</b>	
	<b>2021</b>	<b>2022</b>	
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	4,424,803	838,703	5,263,506
Loans falling due within one year	(3,410,475)	257,227	(3,153,248)
Loans falling due after more than one year	(3,136,934)	3,136,934	-
	<u>(2,122,606)</u>	<u>4,232,864</u>	<u>2,110,258</u>

### 30 Events after the reporting date

Following the year end, on 3rd October 2022, the society made a payment of £3,153,248 against the outstanding bank loan. This repaid the full outstanding balance.

### 31 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

### 32 Social Housing Stock

The number of bed spaces excluding housekeeper & guest rooms available as Social Housing Accommodation for the year was 61 (2021: 60).

All properties are owned and managed by the Society.

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 33 Contingencies

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

### 34 Surplus/(deficit) in respect of social housing activities

	2022 £	2021 £
<b>Income</b>		
Rent receivable excluding service charges	286,370	243,294
Service charges	526,214	427,771
Government grants receivable	39,869	39,869
Other income in relation to the provision of services to residents in social housing	250,451	157,205
	<b>1,102,905</b>	<b>868,140</b>
<b>Operating expenditure</b>	-	-
Affiliation fees	(21,957)	(11,952)
Housekeeping & catering	(195,714)	(149,598)
Depreciation	(130,298)	(91,077)
Insurance	(16,216)	(16,631)
Rates & utilities	(80,922)	(69,604)
Repairs & decorations	(51,430)	(69,610)
Staff costs	(357,421)	(419,588)
Sundries	(28,862)	(22,300)
Telephone	(3,405)	(3,300)
Office expenses	(22,094)	(20,913)
Audit fee	(3,834)	(11,057)
Legal & professional	(28,705)	(10,598)
	<b>(940,859)</b>	<b>(896,228)</b>
<b>Surplus/(deficit) for the year in respect of social housing activities</b>	<b>162,046</b>	<b>(28,089)</b>
<i>Void losses (being rental income lost as a result of property not being let, although it is available for letting)</i>	<i>(164,548)</i>	<i>(179,634)</i>

### 35 Prior period adjustment

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 35 Prior period adjustment

(Continued)

#### Changes to the balance sheet

	At 30 September 2021		
	As previously reported	Adjustment	As restated
	£	£	£
<b>Fixed assets</b>			
Tangible assets	5,868,580	1,974,741	7,843,321
<b>Creditors due within one year</b>			
Deferred income	-	(39,869)	(39,869)
<b>Creditors due after one year</b>			
Deferred income	-	(1,704,182)	(1,704,182)
	<u>6,749,496</u>	<u>230,690</u>	<u>6,980,186</u>
<b>Net assets</b>	<u>6,749,496</u>	<u>230,690</u>	<u>6,980,186</u>
<b>Income funds</b>			
Unrestricted funds - general fund b/fwd	5,420,971	197,054	5,618,025
Unrestricted funds - general fund c/fwd	5,334,001	230,690	5,564,691
	<u>6,749,496</u>	<u>230,690</u>	<u>6,980,186</u>
<b>Total funds</b>	<u>6,749,496</u>	<u>230,690</u>	<u>6,980,186</u>

#### Changes to the Statement of Financial Activities

	Period ended 30 September 2021		
	As previously reported	Adjustment	As restated
	£	£	£
Donations and legacies	90,645	39,869	130,514
Charitable activities	1,478,116	6,233	1,484,349
	<u>50,549</u>	<u>33,636</u>	<u>84,185</u>
Net movement in funds	<u>50,549</u>	<u>33,636</u>	<u>84,185</u>

The historic grants received from the Housing Association were historically net against the cost of the properties to which they relate. To align with the accruals model treatment under the Housing SORP, these grants have been reclassified as deferred income, being released to income in line with the useful life of the assets to which they relate.