

ABBNEYFIELD SOUTHERN OAKS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2015



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

ABBNEYFIELD SOUTHERN OAKS

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ABBNEYFIELD SOUTHERN OAKS

CHAIRMAN'S REPORT

This is the first Chairman's report following the first year of operations of Abbeyfield Southern Oaks, a new society created from the merger of Abbeyfield Purley and Nonsuch Abbeyfield with effect from 1 October 2014.

We now have four sheltered houses providing care, support and companionship to 35 residents in our enlarged catchment area - from Ewell in the west, through Cheam and Sutton, to Purley in the east. All our residents benefit not only from the comforts of well maintained and equipped houses, but also from the dedication of committed and caring staff, backed up by energetic and empathetic volunteers.

Our operations

Over the last year we have made a start at making a necessary transition from an organisation that is governed, managed and supported by volunteers to one that is governed and supported by volunteers, but managed by full time staff who share our vision and values. Our values will continued to be rooted in the Christian and similar moral principles that have always been the hallmark of an Abbeyfield operation - such as honesty, humility, generosity, forgiveness and respect for the individual.

This transitional journey was begun in March 2015, with the appointment of Gaynor Cavanagh as our Society Manager. Gaynor has made an excellent start and many thanks are due to her for the energy, flexibility and professionalism that she has brought to the wide range of operational issues that have had to be addressed over the last nine months, whilst sustaining our relationships with our residents, safeguarding their interests, and preparing the Society for the increasing challenges that lie ahead.

Tomorrow's challenges include the need for the Society to prepare for the growth and development that will be needed if it is to sustain its viability. This agenda is being driven by the changing needs of a growing population of older people with more varied expectations of their service providers, with more apparent competition, and with more demanding regulatory and funding regimes.

For the present, however, our first port of call in assessing our service quality is to ask our current residents what they think of their house managers and housekeepers. Well now it's official – they almost unreservedly love them! Our house managers, housekeepers and relief managers all care for our residents day in and day out, providing excellent food, love and lots of laughter. This was confirmed by our Society-wide survey of residents, conducted in 2015.

In the aftermath of the merger, extensive work had to be done to create a new brochure and website and to publish a first newsletter for the new organization. We also overhauled all our admission procedures and documentation, and the systems that underpin the processing of resident applications. This was all made possible by the hard work of Robert Anthony, Clive Richardson, John Parker, Mary Grant, Margaret Angus and Gaynor Cavanagh. Please go to www.nonsuchabbeyfield.org and www.abbeyfieldsouthernnoaks.org to see some of the fruits of their endeavours.

ABBNEYFIELD SOUTHERN OAKS

CHAIRMAN'S REPORT (continued)

Our people

Like the renowned number 11 bus, staff and volunteers tend to come and go in clusters. For years things remain unchanged, and then there is a spate of departures and renewals. This has happened this year.

At the end of October 2015 the Purley house residents had a leaving party for our much loved house manager, Wendy Coles, and her husband and Society handyman, Len, who are retiring to a less arduous life on the coast in Sussex. We all hope that retirement will bring them as much happiness as they have brought to the residents of our Purley House over the last 8 years, and hope that they will return regularly to keep in touch.

At the Trustee level we have said farewell to Robert Anthony (continuing as our newsletter editor), Michael Bletcher (a continuing member of our property committee), Anne Carrington (a former Society chairman and continuing friend of our Purley house), Trevor Jones (a continuing friend of our Purley house), Andrew Macdonald (a former house chairman and continuing pastoral volunteer), Yvonne McPhee (a continuing member of a house committee), and Rohit Patel (a former Financial Trustee and continuing member of our development group). On the Administration side we have said farewell to Judith Marsh (Purley administrator) and Margaret Angus, has retired (the senior administrator of the Society in recent years).

We have maintained the strength of our Trustee board through the recruitment of Jim Ratliff (a consulting engineer and experienced business director), John Flower (an honorary medical consultant and recently retired General Practitioner), Nick Shore (a professional accountant taking responsibility as Financial Trustee), Mary Boorman (a recently retired US real estate development practitioner), and Margaret Angus. We are grateful to all of these volunteers for the contributions they have already made and continue to make to the life and times of our Society.

Our Society Manager, Gaynor Cavanagh has brought an extensive knowledge of working and caring for older people, having formerly worked as a senior manager for both Methodist Homes and Friends of the Elderly. Since March she has worked tirelessly to get to grips with our organization, helping us to harmonise our policies and procedures in the aftermath of our merger and making our documentation even more robust in the face of continuing regulatory pressures. She is also playing an increasing role in the planning of our new development in Ewell and in our discussions with other Abbeyfields interested in merger. Gaynor's administration team has gained one member, Melanie Ktorides. We have also welcomed Jackie Bromhead as our new financial manager, following her work for us on a contractor basis over the last 18 months.

The volunteers on our four house committees continue to contribute love and care to our residents, through their partnership working with each of our house managers. It is this partnership that helps make Abbeyfield unique, in the human and spiritual quality of the service that we deliver to our residents.

In September, Marjorie Marsh let it be known that she wished to step down as chairman of our Purley House with effect from January 2016. Her successor will inherit an excellent Abbeyfield home, with great facilities and a warm and caring team of house volunteers. John Shelton (former chairman of Abbeyfield Purley) says *"It has been my privilege, together with my fellow Trustees, to have known and worked with Marjorie over the last 12 years. She has been a pillar of strength to the Purley Society with her medical background, her dedication and loving care of her residents, volunteers and staff. Her management skills and valuable knowledge of the requirements of the older person has ensured a rich contribution to the development and success of the Purley Society."* Marjorie will remain a close friend of Abbeyfield Southern Oaks, and has indicated that she may be willing to provide advice and assistance in the establishment of our new extra care home if and when we secure the elusive planning permission.

ABBEYFIELD SOUTHERN OAKS

CHAIRMAN'S REPORT (continued)

Our development plans

We still have our sights on serving the accommodation and needs of between 150 and 200 older people within our catchment area (Ewell in the west to Purley in the east) by 2025. Our aim is to do this primarily through Abbeyfield Apartments (ie small flats, with communal restaurant and leisure areas, all supported by care services as and when they are needed).

We submitted a revised planning application for the site in Ewell that we have been pursuing since 2013. The Planning Committee decided to approve the application at their meeting on 14 January, 2016 but due to certain aspects of the proposals, this decision is subject to the approval of the Secretary of State for Communities and Local Government. We expect to know whether or not this approval will be forthcoming before the end of February. If successful, we would expect the new facility to be open in mid 2018. Our application has been developed in partnership with the volunteers and manager of Epsom Sports Club, who will manage the neighbouring 8-acre sports club if planning permission is secured.

An enormous investment of time and resources has gone into this application. Not only have we had an excellent team of professional advisers, a massive amount of volunteer time has been contributed by Maurice Pagella, Mary Boorman Pagella, Jim Ratliff, Rohit Patel, Bill Scott, Malcolm Wakerley, Clive Richardson, John Parker, and Nigel Macdonald. Please join us all in willing and praying for a successful outcome this time round!

Need for new volunteers

The continuing pressure to contain costs and deal with a wide variety of different challenges mean that we are always looking for new volunteers to play a role in our team effort. Particular needs that we have at present are:

- **House management** – Individuals with good organizational skills and an empathy with older people to join one of our house committees and help spread the workload. We are particularly interested in people from the Purley and Sutton areas.
- **Activities management** – Individuals who would enjoy planning and expediting events for the enjoyment of our residents.
- **Property management** - Individuals with good property management skills, able to define improvement or repairs projects and commission and supervise the work necessary to expedite their completion
- **Marketing** – Individuals willing to work within a team planning, facilitating and executing PR, advertising and events to support our resident and volunteer recruitment processes
- **Financial management** – an individual to share the workload of our Society's Financial Trustee, working with the support of our Financial Manager.
- **Legal** – a solicitor willing to work as a Trustee, helping to oversee and contribute to decision making on matters with significant commercial consequences.

Please do not hold back if you think that you or a friend might be interested in one of these areas, or in other areas that you think might be relevant. We are good at designing interesting and important jobs that capitalize on the skills and interests of our volunteers. You can do this by calling our office on 0208 394 0050 or by emailing us at admin@abbeyfieldsouthernnoaks.org

Graham Walker
Chairman

ABBNEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30th SEPTEMBER 2015

The Trustees present their report and the audited financial statements of the Society for the year ended 30th September 2015

OBJECTIVES AND ACTIVITIES

To provide accommodation, care and companionship for the support and care of older people of all classes exposed to the disadvantages of old age, or otherwise being in need., in accordance with the aims and principles of The Abbeyfield Society. This activity is provided for the benefit of the community and falls wholly within social housing activities as defined in the Housing and Regeneration Act 2008.

MERGER WITH NONSUCH ABBNEYFIELD

The process of merging the Society's operations, assets and liabilities with those of Nonsuch Abbeyfield was successfully completed at close of business on 30th September 2014. Both Societies were founded by members of local churches and both respect Christian and similar moral values. The Trustees believe that the merger has strengthened the Society and, over time, will considerably improve the quality of life and services available for older people in Cheam, Epsom and Ewell, Purley and Sutton.

Consequently, the balance sheet of the Society in the accompanying accounts reflects the combined assets and liabilities of both Nonsuch Abbeyfield and the Society. Except for the reserve adjustment in respect of the merger with Nonsuch Abbeyfield, the Statement of Financial Activities for the year ended 2014 reflects solely the results of charitable activities of the Society prior to the merger. In note 19 to the accounts, a proforma summary is presented (for information purposes only) of a combined Statement of Financial Activities for the year ended 30th September 2014, on the assumption that the merger had been completed on 1st October 2013; the proforma is presented, together with an analysis of the current year's activities, in a format that the Trustees believe presents more clearly the results of the Society's activities.

In December 2014 the Trustees agreed to change the name of the Society to 'Abbneyfield Southern Oaks', which was subsequently endorsed by the Society's members.

THE ACTIVITIES AND BENEFICIARIES OF THE SOCIETY

Since the completion of the merger, the Society has operated four sheltered houses for older people (one in Purley, two in Sutton and one on the borders of Epsom and Ewell), with a total capacity of 35 residents. Our policy is to provide older people who no longer wish to live alone with support, good home cooking, and companionship, whilst helping them to maintain their independence, privacy and dignity.

We welcome as residents people from all backgrounds and sectors of society who will each contribute to the community in their respective 'family-style' sheltered home. Whilst some of our residents are able to meet our charges from their own resources, others have recourse to the support available from the local council through arrangements such as Housing Benefit and 'Supporting People' grants. We do not enquire about people's means when they apply, or offer any financial advice, but are happy to suggest where they may be able to obtain such advice and assistance with complete confidentiality. Our services are advertised to the public via our website and through advertisements in the local press, churches and other organisations supportive of older people. Our admissions procedure and selection criteria are published on our website.

ABBNEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30th SEPTEMBER 2015
(continued)

THE ACTIVITIES AND BENEFICIARIES OF THE SOCIETY *(continued)*

Our strategy is to be volunteer governed and supported and the Society is supported by an extensive and active volunteer base with a broad range of skills. We receive income from charges made to residents for the provision of accommodation and services and also income from investments in property and marketable securities, which derive principally from past legacies.

As noted in the Chairman's report, the Society is pursuing the objective of acquiring a development site on which it can build and operate an extra care home for 60 to 80 residents.

The Members of the Trustees have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission concerning the public benefit requirement.

ACHIEVEMENTS AND PERFORMANCE

The Society has successfully fulfilled its objectives during the year under review. Further information detailing the achievements and performance of the Society can be found in the Chairman's Report annexed hereto.

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 (No. 247308) and a registered housing association (No. H1185). It is a 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 total number of such members at 30th September 2015 was 59 (30.9.2014 - 55).

The activities of the Society are overseen by a Board of Trustees whose members are elected at an Annual General Meeting and who serve for a period of three years after which they must seek re-election if wishing to continue in office. The Board of Trustees meets at least eight times a year.

The Society seeks new members of the Trustees based on the skills and experience required to assist in the management and administration of the Society. New members of the Trustees are provided with full details of the Society and its activities and are provided with such additional training as may be required for them to participate fully in the activities of the Society.

The Trustees have conducted a review of the major risks to which the Society is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks that the Society faces. The systems of internal controls are externally examined in that the Society has received the Abbeyfield Core Standard in 2015 and has also been accredited by local councils in respect of their Supporting People arrangements.

ABBNEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30th SEPTEMBER 2015
(continued)

FINANCIAL REVIEW

The results for the year are as set out in the Statement of Financial Activities on page 12.

The Society incurred a deficit for the year of £57,157 (2014 – surplus of £13,863). The deficit is due to net expenditure of £121,801 on pursuing the development project. Without this expenditure the Society would have made a surplus of £64,644 on its combined activities.

The Committee considers that the state of affairs of the Society is satisfactory.

As a result of the merger of Nonsuch Abbeyfield at close of business on 30th September 2014, there was an uplift in funds of £5,511,162.

The Board of Trustees is of the opinion that the market value for existing use of the land and buildings exceeds their original cost, as recorded in the financial statements.

INVESTMENT POLICY

Investments in marketable securities are managed by an independent fund manager working under the direction of the Society's Trustees. Currently, the Trustees' investment policy is set so as to sustain the capital value of its investments with a view to their being realised in the short term for re-investment in the Society's proposed Extra-Care development.

RESERVES POLICY

The accumulated funds are free reserves that have been built up over time to cover future expenditure on projects designed to improve and extend the Society's ability to pursue its charitable objectives. Given the anticipated growth in the demand for the Society's services, and given the challenges involved in establishing new facilities suitable to meet future service needs, the Trustees consider that the current level of reserves is appropriate to its current market circumstances.

FUTURE DEVELOPMENTS

The Society has entered into an agreement to purchase land, subject to the receipt of suitable planning permission, with a view to building and operating an Extra Care home for 60-80 older people within reach of its existing houses.

An Extra Care home is a specialised form of sheltered accommodation, comprising one and two bedroom apartments with shared social and catering facilities, which is designed to support residents who have varying degrees of care needs. Where there are such care needs, they will be commissioned by the resident from independent care suppliers in the knowledge that the facilities of the home will be flexible enough to deal with their changing circumstances.

Pending the acquisition of a suitable site, the Society is investing surplus resources in investment properties and marketable securities.

ABBNEYFIELD SOUTHERN OAKS

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30th SEPTEMBER 2015
(continued)

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity registration number	247308
Company registration number	00734705
Homes and Communities Agency number	H1185
Registered Office and operational address	The Old House Epsom Road Ewell Surrey KT17 1JZ

TRUSTEES

The current Trustees who are also Directors of the Company, or served during the year ended 30 September 2015 are:

	Date of Appointment	Date of Resignation	Post Held
Robert Anthony	17.03.2014	04.10.2014	
Michael Bletcher	13.10.2014	15.04.2015	
Mary Boorman	21.01.2016		
Anne Carrington		29.04.2015	
Janet Fisher			
Dr. John Flower	15.04.2015		
Janet Hicks	13.10.2014	15.11.2014	
Stephen Hunt		30.09.2015	
Trevor Jones		27.02.2015	
Andrew Macdonald	13.10.2014	15.04.2015	
Nigel Macdonald	13.10.2014		Vice Chairman
Lyn Maggs	13.10.2014		
Marjorie Marsh		31.12.2015	
Yvonne McPhee	13.10.2014	29.04.2015	
Maurice Pagella	13.10.2014		Development Financial Trustee
Rohitbhai Patel	13.10.2014	30.04.2015	
Jim Ratliff	15.04.2015		
Bill Scott	13.10.2014		
Nick Shore	15.04.2015		Society Financial Trustee
John Shelton			Vice Chairman
Dr Malcolm Wakerley	13.10.2014		Vice Chairman
Graham Walker	13.10.2014		Chairman
Susanna Walker	13.10.2014		

In accordance with the Registered Rules of the Society, 5 members retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting to be held at 6.00pm on Thursday 3rd March at St Andrew's United Reformed Church, Northey Avenue, Cheam.

ABBNEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30th SEPTEMBER 2015
(continued)

BANKERS AND OTHER ADVISERS

Bankers	<p>National Westminster Bank plc 9 High Street Cobham Surrey KT11 3DJ</p> <p>Santander UK plc Bootle, Merseyside L30 4GB</p> <p>CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ</p>
Auditor	<p>Maurice Andrews Chartered Accountants Global House 1 Ashley Avenue Epsom, Surrey KT18 5FL</p>
Solicitors	<p>Wedlake Bell 52 Bedford Row London WC1R 4LR</p>

RESPONSIBILITIES OF MEMBERS OF THE TRUSTEES

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Society and of its incoming resources and application of resources, including the income or expenditure of the Society for the 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departure 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 Society will continue in business.

ABBEYFIELD SOUTHERN OAKS

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30th SEPTEMBER 2015
(continued)

RESPONSIBILITIES OF MEMBERS OF THE TRUSTEES *(continued)*

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society 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 Requirements for Registered Social Landlords Determination 2012. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware there is no relevant audit information of which the Society's auditor is unaware and the Members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is 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 special provisions of Part 15 of the Companies Act 2006 relating to small companies.

APPROVAL

The report of the Trustees was approved by the Board on 5th February 2016 and signed on its behalf by the Chairman of the Society:-

GRAHAM WALKER
CHAIRMAN

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS **YEAR ENDED 30th SEPTEMBER 2015**

We have audited the financial statements of Abbeyfield Southern Oaks for the year ended 30th September 2015 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Responsibilities of Members of the Trustees set out on pages 8 and 9, the Trustees (who are also directors of Abbeyfield Southern Oaks for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30th September 2015 and of its results 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Report of the Trustees for the financial period for which the financial statements are prepared is consistent with the financial statements.

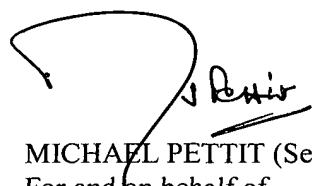
INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS
YEAR ENDED 30th SEPTEMBER 2015
(continued)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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.



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

5th February 2016

Global House
1 Ashley Avenue
Epsom, Surrey
KT18 5FL

ABBNEYFIELD SOUTHERN OAKS
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30th SEPTEMBER 2015

INCOME AND EXPENDITURE ACCOUNT

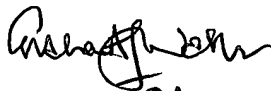
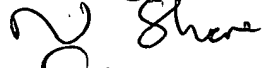

	Notes	<u>2015</u> £	<u>2014</u> £
Incoming resources			
Incoming resources from generated funds:			
Voluntary income			
Donations		2,390	16,158
Grants		10,000	-
Activities for generating funds			
Fundraising		2,662	2,698
Investment income	3	71,283	383
Other income		67,975	3,764
Incoming resources from charitable activities	4	<u>462,541</u>	<u>116,978</u>
Total incoming resources		<u>616,851</u>	<u>139,981</u>
Resources expended			
Costs of generating funds	5	28,551	915
Charitable activities	6	425,339	114,780
Governance costs	7	20,342	10,423
Other resources expended	8	<u>199,776</u>	<u>-</u>
Total resources expended		<u>674,008</u>	<u>126,118</u>
Net (outgoing) incoming resources		(57,157)	13,863
Gains/(losses) on investment assets		(11,077)	-
Merger with Nonsuch Abbeyfield		<u>-</u>	<u>5,511,162</u>
Net movement in funds for the year		(68,234)	5,525,025
Fund balance brought forward 1.10.2014		<u>6,000,143</u>	<u>475,118</u>
Fund balance carried forward 30.9.2015		<u>5,931,909</u> =====	<u>6,000,143</u> =====

ABBEYFIELD SOUTHERN OAKS**BALANCE SHEET**
30th SEPTEMBER 2015

	<u>Notes</u>	<u>2015</u>		<u>2014</u>	
		£	£	£	£
FIXED ASSETS					
Tangible assets	12		2,240,921		2,258,597
Investments	13		<u>1,077,535</u>		<u>1,089,380</u>
			3,318,456		3,347,977
CURRENT ASSETS					
Stock			1,200		1,200
Debtors	14		29,378		26,275
Cash at bank and in hand			<u>2,653,992</u>		<u>2,667,038</u>
			2,684,570		2,694,513
CREDITORS: amounts falling due within one year	15		<u>71,117</u>		<u>42,347</u>
NET CURRENT ASSETS			<u>2,613,453</u>		<u>2,652,166</u>
NET ASSETS			<u>5,931,909</u>		<u>6,000,143</u>
CAPITAL AND RESERVES					
Accumulated funds					
Unrestricted	16		5,925,176		5,993,325
Restricted	17		<u>6,733</u>		<u>6,818</u>
			<u>5,931,909</u>		<u>6,000,143</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Trustees
on 5th February 2016 and signed on its behalf by:-

	G.A.J. Walker	-	Trustee
	N. Shore	-	Trustee
	J. Shelton	-	Trustee

The notes on pages 14 to 22 form part of the financial statements.

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2015

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 a 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 process of merging the Society's operations, assets and liabilities with that of Nonsuch Abbeyfield was successfully completed at close of business on 30th September 2014. Both Societies were founded by members of local churches and both respect Christian and similar moral values. The Trustees of both Societies believe that the coming together has strengthened the Society and will, over time, considerably improve the quality of life and services that it can offer to older people in Purley, Sutton, Cheam, Epsom and Ewell.

Since the completion of the merger, the Society operates four Abbeyfield houses at 2 Purley Knoll, Purley, Surrey, 82 York Road, Cheam, Surrey, 82 Mulgrave Road, Sutton, Surrey, and The Old House, Mongers Lane, Epsom Road, Ewell, Surrey. The Society has entered into an agreement to purchase land, subject to the receipt of suitable planning permission, with a view to building and operating an Extra Care home for 60-80 older people within reach of its existing houses.

An Extra Care home is a specialised form of sheltered accommodation, comprising one and two bedroom apartments with shared social and catering facilities, which is designed to support residents who have varying degrees of care needs. Where there are such care needs, they will be commissioned by the resident from independent care suppliers in the knowledge that the facilities of the home will be flexible enough to deal with their changing circumstances.

Pending the acquisition of a suitable site, the Society is investing surplus resources in investment properties and marketable securities.

2. ACCOUNTING POLICIES

Accounting basis and standards

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005), Schedule 1 to the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England 2012.

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2015
(continued)

2. ACCOUNTING POLICIES *(continued)*

Incoming resources

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.

Resources expended

Resources expended are allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration on 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 by the Society, or if certain other relevant events take place, but can be rolled over into other purchase or development activities in certain circumstances.

Investment Properties

Freehold investment properties are included in the financial statements at their open market value.

The FRSSE states that such properties should not be depreciated unless held as leasehold property where the lease has less than 20 years to run.

The Society has therefore provided no depreciation on investment properties in order to give a true and fair view.

Investment Portfolio

The investments held are valued at mid market value at the balance sheet date.

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 2015
(continued)

3.	INVESTMENT INCOME	<u>2015</u>	<u>2014</u>
		£	£
	Bank and short term deposits – gross	6,990	383
	Income from investment portfolio	23,523	-
	Income from investment property	<u>40,770</u>	<u>-</u>
		71,283	383
		=====	=====
4.	INCOME FROM RESIDENTS	<u>2015</u>	<u>2014</u>
		£	£
	Income receivable from letting of all units based on 100% occupancy	562,810	134,469
	<u>Less:</u> vacancies and void losses	<u>100,269</u>	<u>17,491</u>
		462,541	116,978
		=====	=====
	No specific charge is made for services within residents' charges.		
5.	RESOURCES EXPENDED	<u>2015</u>	<u>2014</u>
		£	£
	Costs of Generating Funds		
	Costs of fundraising activities	-	915
	Portfolio investment management fees	2,407	-
	Investment property expenses	<u>26,144</u>	<u>-</u>
		28,551	915
		=====	=====

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2015
(continued)

6. RESOURCES EXPENDED

	<u>2015</u>	<u>2014</u>
	£	£
Charitable activities		
<i>Direct costs</i>		
Food and household	67,049	19,156
Staff costs	131,571	41,043
Repairs and redecorations	47,821	19,715
Rates and utilities	40,699	12,044
Insurance	7,099	2,835
Telephone	4,101	989
Sundries	3,570	2,585
Loss on disposal of fixed assets	3,644	-
Depreciation	<u>28,576</u>	<u>750</u>
	334,130	99,117
	=====	=====
<i>Support costs</i>		
Staff costs	56,368	9,940
Affiliation fees – The Abbeyfield Society	9,878	2,794
Advertising and marketing	6,792	-
Office expenses	7,705	2,929
Depreciation	993	-
Legal and professional fees	5,474	-
Miscellaneous expenses	<u>3,999</u>	<u>-</u>
	91,209	15,663
	=====	=====

7. RESOURCES EXPENDED

	<u>2015</u>	<u>2014</u>
	£	£
Governance costs		
Audit fee	14,963	4,800
Legal and professional fees	4,557	5,623
Insurance	<u>822</u>	<u>-</u>
	20,342	10,423
	=====	=====

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2015
(continued)

8.	RESOURCES EXPENDED	<u>2015</u>	<u>2014</u>
		£	£
	Developments costs		
	Staff costs	43,504	-
	Recruitment fees	6,240	-
	Office expenses	6,348	-
	Legal and professional fees	<u>143,684</u>	<u>-</u>
		199,776	-
		=====	=====
9.	RESOURCES EXPENDED		
	Resources expended include	<u>2015</u>	<u>2014</u>
		£	£
	Auditor's remuneration (<i>Governance costs</i>)	14,963	4,800
	Loss on disposal of fixed assets (<i>Charitable Activities</i>)	3,644	-
	Depreciation (<i>Charitable Activities</i>)	<u>29,569</u>	<u>-</u>
		=====	=====
	No Trustee was paid or reimbursed expenses during the year.		
10.	STAFF COSTS (including officers)	<u>2015</u>	<u>2014</u>
		£	£
	Salaries	209,015	50,478
	Social security costs	9,970	505
	Pension contributions	<u>364</u>	<u>-</u>
		219,349	50,983
		=====	=====
	Accounted for as:		
	Charitable activities – direct costs	120,304	41,043
	Charitable activities – support costs	55,541	9,940
	Development costs	<u>43,504</u>	<u>-</u>
		219,349	50,983
		=====	=====

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

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2015
(continued)

10. STAFF COSTS *(continued)*

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

	<u>2015</u>	<u>2014</u>
Office	4	1
Social housing staff	<u>15</u>	<u>8</u>
	19	9
	===	===

11. TAXATION

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

The Society is not registered for VAT. VAT is not therefore charged to residents. Expenditure charged includes any relevant VAT element.

12. TANGIBLE FIXED ASSETS

	<u>Freehold investment property £</u>	<u>Freehold operating properties £</u>	<u>Fixtures, fittings & equipment £</u>	<u>Total £</u>
Cost/valuation				
At 1.10.2014	1,350,000	1,903,866	116,303	3,370,169
Additions	-	-	15,874	15,874
Disposals	<u>-</u>	<u>-</u>	(10,876)	(10,876)
At 30.9.2015	<u>1,350,000</u>	<u>1,903,866</u>	<u>121,301</u>	<u>3,375,167</u>
Housing Association Grant				
At 1.10.2014 and at 30.9.2015	<u>-</u>	<u>876,812</u>	<u>-</u>	<u>876,812</u>
	<u>1,350,000</u>	<u>1,027,054</u>	<u>121,301</u>	<u>2,498,355</u>
Depreciation				
At 1.10.2014	-	178,985	55,775	234,760
Charge for year	-	12,186	17,383	29,569
Disposals	<u>-</u>	<u>-</u>	(6,895)	(6,895)
At 30.9.2015	<u>-</u>	<u>191,171</u>	<u>66,263</u>	<u>257,434</u>
Net book value				
At 30.9.2015	1,350,000	835,883	55,038	2,240,921
	=====	=====	=====	=====
At 30.9.2014	1,350,000	848,069	60,528	2,258,597
	=====	=====	=====	=====

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2015
(continued)

12. TANGIBLE FIXED ASSETS *(continued)*

The historic cost of the freehold investment property at the year end was £870,000 (2014 – 870,000) being the probate value at the date of its receipt by the Society. It has been valued by the Trustees at the year end on the basis of its open market value.

The cost of freehold operating properties shown above of £1,903,866 (2014 - £1,903,866) includes £630,000 (2014 - £630,000) attributed to the land element of the properties as estimated by the Trustees.

The Trustees are of the opinion that the market value for existing use of the land and buildings exceeds their cost, as recorded above.

13. FIXED ASSET INVESTMENTS

	<u>2015</u> £	<u>2014</u> £
a) Investment portfolio		
Market value brought forward	1,089,380	-
Fees paid from portfolio	(768)	-
Losses arising on portfolio during the year	(11,077)	-
Transfer from Abbeyfield Nonsuch	<u>-</u>	<u>1,089,380</u>
Market value carried forward	<u>1,077,535</u> =====	<u>1,089,380</u> =====
b) Analysis of market value of portfolio		
Cash deposits held by investment advisors	5,237	25,060
UK government securities	251,483	576,416
Fixed interest securities	137,216	120,588
Equities and Unit Trusts	<u>683,599</u>	<u>367,316</u>
	<u>1,077,535</u> =====	<u>1,089,380</u> =====

14. DEBTORS

	<u>2015</u> £	<u>2014</u> £
Sundry debtors and prepayments	<u>29,378</u> =====	<u>26,275</u> =====

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2015
(continued)

15. CREDITORS: amounts falling due within one year:

	<u>2015</u>	<u>2014</u>
	£	£
Taxes and social security costs	4,803	407
Other creditors and accruals	<u>66,314</u>	<u>41,940</u>
	<u>71,117</u>	<u>42,347</u>
	=====	=====

16. ACCUMULATED FUNDS - UNRESTRICTED

	Development Fund	Amenity Funds	Major Repairing Reserve	Investment Property Revaluation Reserve	General Fund	Total
	£	£	£	£	£	£
Balance at 1.10.2014	25,000	-	321,367	480,000	5,166,958	5,993,325
Transfers	(25,000)	25,590	-	-	(590)	-
Deficit for year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,149)</u>	<u>(68,149)</u>
Balance at 30.9.2015	<u>-</u>	<u>25,590</u>	<u>321,367</u>	<u>480,000</u>	<u>5,098,219</u>	<u>5,925,176</u>
	=====	=====	=====	=====	=====	=====
Summary of Net Assets by Fund:						
Fixed Assets	-	-	-	480,000	2,838,456	3,318,456
Net Current Assets	<u>-</u>	<u>25,590</u>	<u>321,367</u>	<u>-</u>	<u>2,259,763</u>	<u>2,606,720</u>
	<u>-</u>	<u>25,590</u>	<u>321,367</u>	<u>480,000</u>	<u>5,098,219</u>	<u>5,925,176</u>
	=====	=====	=====	=====	=====	=====

Development Fund

These funds were originally set aside to help fund the future development of the Society. Given the merger and current plans, this fund has been deemed unnecessary.

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 2015
(continued)

17. ACCUMULATED FUNDS - RESTRICTED

	£
Balance at 1.10.2014	6,818
Deficit for the year	(85)
Balance at 30.9.2015	6,733
	=====
Summary of Net Assets by Fund:	
Net Current Assets	6,733
	=====

The Restricted Fund is the balance of a legacy left to the Society for the express use of The Old House in Ewell. During the year £85 was spent – this figure is part of the £3,570 sundry direct charitable expenses shown in note 6.

18. HOUSING STOCK

	Units under development		Units in management	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
Social Housing Accommodation				
Number of bed spaces, excluding housekeeper and guest rooms	0	0	35	35

25 units were transferred in from Nonsuch Abbeyfield at close of business on 30th September 2014.

19. ANALYSIS OF SOCIAL HOUSING INCOME AND EXPENDITURE

	2015 £	2014 £
Residential charges	462,541	430,338
Social housing surplus	37,202	29,737
Non social housing surplus	<u>14,626</u>	<u>11,807</u>
Total housing surplus	51,828	41,544
Surplus from non-housing investment activities	28,106	44,901
Governance costs	(20,342)	(24,142)
Fundraising and donations	<u>5,052</u>	<u>22,635</u>
Net operating surplus from continuing activities	64,644	84,938
Loss on investment assets	(11,077)	-
Net surplus from continuing activities	53,567	84,938
Development costs, net of grants received	<u>(121,801)</u>	<u>(258,600)</u>
	<u>(68,234)</u>	<u>(173,662)</u>
	=====	=====

Comparative figures show combined results as if the 2 entities had been merged on 1st October 2013.