

Registered Number
00734705

ABBNEYFIELD SOUTHERN OAKS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2016

WEDNESDAY



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COMPANIES HOUSE

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

A breakthrough year

2016 has been a breakthrough year for the Society.

On behalf of our Trustees, our Society Manager, Gaynor Cavanagh, and her management team implemented a series of difficult organizational developments and dealt effectively with some demanding operational challenges. Volunteers and staff continue to work hard together to make the new systems work for the good of our residents and resolve the teething problems inevitable with such changes. The Society ended the year with high levels of occupancy, a closely-knit management team and improved financial performance.

At the same time as achieving these improvements in the sustainability of our sheltered housing, the Society's development team succeeded in its long-run and hard fought efforts to secure planning permission to build an independent living community of sixty flats and community facilities in Old Schools Lane in Ewell. We are extremely grateful to the Trustees of The Salesians of Don Bosco, the former owners of this site, for the encouragement and support they showed in so many ways during this planning process. Work is under way at the time of writing to put in place the finance necessary for the construction to commence in late Spring 2017. It is hoped that we will be able to provide details of the progress of the construction works in our 2017 report.

These successes have been achieved as a direct result of the extraordinary individual and collective efforts of many residents, staff and volunteers.

In our sheltered houses, our residents have responded cooperatively to uncomfortable but necessary operational adjustments caused by changes in legislation; our volunteers have worked hard to adapt to consequential organizational changes; and our staff have had to plan and execute complex programmes of change. We are particularly grateful to two Trustees- Lyn Maggs and John Shelton - and two former Trustees, Marjorie Marsh and Anne Carrington, who have all worked tirelessly with the members of the Mulgrave Road and Purley Knoll House Teams to support our staff during the particularly difficult times around and immediately after the 2015 calendar year end.

In our development project, some of our Trustees have had to burn the midnight oil in order to overcome the challenges that the council's planning and our banks' financing processes have thrown in our path. Trustee members of our Development Team who have taken on major personal responsibilities in getting the project to where it is today include Maurice Pagella, Jim Ratliff, Mary Boorman, Nick Shore, Malcolm Wakerley and Bill Scott. In addition, Howard Morris (Development Director), Gaynor Cavanagh (Society Manager) and Jackie Bromhead. (Finance Manager) have been active in providing vital implementation advice and assistance.

Considerable and sincere thanks and congratulations are due all round!

Realistically, I suspect that this effort and commitment will have to be sustained for another year or two, as we strive to finance, complete, occupy and bed down this remarkable new Abbeyfield service for the direct benefit of its future residents and also, through its outreach services, for the residents of our sheltered houses. Hopefully, by recognising that we are creating a valuable and distinctive asset for future generations of older people living in our community, every member of our team will feel a sense of pride and satisfaction about the part that they are playing in making it all happen.

ABBEYFIELD SOUTHERN OAKS

CHAIRMAN'S REPORT **(continued)**

Our “Field of Dreams”

Our Trustees have resolved that the name and address of our new development in Ewell should be “Nonsuch Abbeyfield”, 8 Old Schools Lane, Ewell. This name reflects both the uniquely beneficial offering that we will be delivering to our residents and the historical context of the area, and capitalizes on the brand equity established prior to and during the recent planning process.

Nonsuch Abbeyfield will contain 60 flats arranged over three floors. 30 of the flats will be available for sale, 6 will be rented at open market rents, and the balance of 24 will be available at Affordable rents (at 80% of market rents). The Affordable flats will be rented to Council nominees and to achieve this the Society has entered into a nomination agreement with the Epsom and Ewell Borough Council. The residential accommodation will be built around a central hub of communal facilities from which a range of health and wellbeing services will be offered that should appeal to individuals wishing to sustain an independent way of life as they grow older. To this end, Nonsuch Abbeyfield aims to build a community that provides:

- Independent living in new accommodation that is easy to maintain
- A village-like gathering of individuals with their own private accommodation, but also with access to an extensive range of services
- A dining room, so that residents don't have to cook if they don't feel like it; where they can host family and friends to a meal they don't have to prepare; and where they can eat with the company they choose, or take food back to their flats for a quiet meal alone
- Fitness and spa amenities to boost overall health, which individuals can pursue at their own pace
- The convenience of a hair salon and 'quick shop' store on site
- Areas suitable for entertainments activities such as cinema nights, club activities, and arts and crafts
- A community garden for the 'green fingered' residents, including outside leisure areas
- Peace of mind for residents' family and friends

A Service Development Fund

Whilst our core funding will pay for the essentials required in getting Nonsuch Abbeyfield off the ground, there will be a significant need for funds to meet the costs of installing specialist equipment, initiating the local and Society-wide services that will enable this community to get off to a flying start, and establishing the financial resilience that will underpin its long term success.

We are in the course of planning a fundraising campaign to generate at least £600,000 of such funds (eg for Transport, Exercise, Crafts, Entertainment, Therapy and other such facilities). The Trustees of a neighbouring charity, Golden Hours Management, have helped our fundraising efforts get off to a good start by making a significant donation of £200,000 to the Society to help with the Nonsuch Abbeyfield project.

Similar funds were established in the 1960's and 1970's when Abbeyfields Purley, Epsom and Cheam were established, and these funds have provided us with the high levels of financial security and operational confidence that have underpinned our services for 40-50 years. We now need to ask our communities to show us such support again – to help underpin the success of Abbeyfield Southern Oaks for the next 60 years, or more.

If you wish to contribute financially, or work with us to help us raise such funds, please contact our office (0208 394 0050) either (a) to ask for a gift aid form and/or suggested legacy clauses or (b) to offer your services as a fundraiser to our development team.

ABBEYFIELD SOUTHERN OAKS

CHAIRMAN'S REPORT

(continued)

A new volunteer infrastructure

A start has already been made at building the volunteer infrastructure that will be needed to ensure that Nonsuch Abbeyfield is up to the challenge of supporting and delivering an outstanding service for older people.

Until it gets established I am chairing the House Team for the proposed Nonsuch Abbeyfield Community. Already I have secured the active engagement of two neighbours of the site, Andrew and Wendy Hoy, who have agreed to join the Nonsuch Abbeyfield House Team. Also, joining the team are three other close neighbours – an existing Trustee, Margaret Angus; a long-term supporter, Brian Angus; and the daughter of a current Old House resident, Juliet Vyvyan.

Ultimately, we estimate that we will need well over 50 new volunteers to help make this operation the success we intend. Immediately, we need to find people who are prepared to take leadership roles in the following areas

- A new Society Secretary to replace long-serving Margaret Angus as she becomes more involved in Nonsuch Abbeyfield
- An Events and Fundraising Leader to help build the profile and service development fund to support our extended operation
- A Befriending Leader to help build the core group of "Friends of Nonsuch Abbeyfield" whose efforts will make prospective residents feel safe with making the transition, and help residents settle into their new community

If you think that you would like to take on one of these roles – or if you know someone who may be interested - please get in touch to hear more about our detailed plans. Also, if you know of a local individual with experience of working as a professional volunteer coordinator, please let us know, as we will be looking for such a person in early 2017.

As we are experiencing these truly exciting times, it is a good time to stop and remember with thanks and affection the former long-standing resident of York Road, Minto McQueen, and our good friend and neighbour, Michael Connelly of Burdon Lane, whose generous legacies have made all of this possible.

And these legacies would never have come our way had it not been for the sustained love and care that our many volunteers (over 120 at the last count) have given day in and day out for to our community of wonderful residents.

Remarkable stories of community care and achievement – all hidden in plain sight.



Graham Walker
Chairman

ABBNEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30th SEPTEMBER 2016

The Trustees present their report and the audited financial statements of the Society for the year ended 30th September 2016

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.

THE ACTIVITIES AND BENEFICIARIES OF THE SOCIETY

The Society currently operates 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 a diverse range of cultures and backgrounds 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. We do not provide any financial advice to potential new residents, 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.

We receive income from charges made to residents for the provision of accommodation and services, and from income from investments in property and marketable securities, which derive principally from past legacies and from fundraising and donations.

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.

Our strategy is to be volunteer governed and supported and the Society is indeed fortunately to have an extensive and active volunteer base with a broad range of skills. The building of our new Independent Living Community has galvanized us into action to recruit more volunteers to support our work.

ABBAYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30th SEPTEMBER 2016
(continued)

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.

The Society has been focusing on managing the operational costs of its housing stock so as to continuously improve the value for money that it is offering to its residents. The Society has also been successful in reducing the length of voids between tenancies. All staff earn a living wage and those eligible benefit from Society contributions to their stakeholder pensions.

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 2016 was 49 (2015 - 59).

The activities of the Society are overseen by a Board of Trustees. The Board of Trustees meets at least four times a year. All Trustees are Directors of the Society.

The Society seeks new Trustees based on the skills and experience required to assist in the management and administration of the Society. New 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. 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.

ABBNEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30th SEPTEMBER 2016
(continued)

FINANCIAL REVIEW

The results for the year are as set out in the Statement of Financial Activities on page 13 and the Analysis of Income and Expenditure shown on page 23.

The Society is reporting an overall surplus of £620,043 for the year. In the previous 2 years costs of £380,401 have been written off for development as at the time we had some doubts regarding achieving planning permission. Having now been successful in achieving this and after analysis of our invoices we have written back into the accounts £220,656 from this period. A total of £400,000 has been capitalised in respect of pre-planning costs relating to the project and a further £101,500 for post-planning costs.

The Society purchased the land for its new development this year at a total cost of £2.8 million, of which £1.2 million was supplied by Old Salesians to be spent on the provision of a sports pavilion alongside the development and is represented on our books as a long term creditor until this transpires.

The net operating surplus from continuing activities is £293,444 (2015 – surplus of £64,644). This significant increase is due to a combination of:

- ASO having received over £200,000 of charitable donations
- Cost and void reduction activities

The Trustees are satisfied with the financial performance of the Society and continue to work on ways to further enhance this for the benefit of our residents, both current and future.

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

As mentioned in our Chairman's report the Society is currently securing finance to build a new independent living community in Old Schools Lane, Ewell. This community will provide a specialised form of sheltered accommodation (comprising one and two bedroom apartments) with shared social and catering facilities. It will be 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.

ABBNEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30th SEPTEMBER 2016
(continued)

FUTURE DEVELOPMENTS *(continued)*

The Society will be assuming a significant amount of debt in 2017 in respect of the financing of the development of the new community in Ewell. This development will result in an increase in the number of residents served from the current 35 to between 100 and 120. The Society's Trustees have worked through the risks and opportunities presented by this development and are satisfied that the investment will be viable in the longer term and that our cash exposures in the shorter to medium term can be managed within the Society's means.

RISK MANAGEMENT

The Society has been managing the risks associated with its ongoing sheltered housing operations and its intended independent living with care operations, through the scrutiny of its development team. Professional advice and support has been obtained to help the Trustees develop strategies in respect of a range of matters affecting risk. These include the selection and negotiation of sources of finance; the determination of building requirements and the negotiation of building contracts; the successful and timely completion of sales and rentals of flats; the planning and implementation of staffing structures; and the design and implementation of residents' services so as to be affordable to all and responsive to residents' wants and needs.

VALUE FOR MONEY

At Board level our governance structure ensures that there is continued scrutiny of financial performance and continued improvement in Value for Money (VFM) delivery, balanced with our aspiration to provide excellent services to our residents. Whilst day-to-day management of services rests with the Society Manager, she is accountable to the Board. Performance and operations are scrutinized through a wide range of performance parameters and more informal scrutiny is achieved through the volunteering involvement of most of our Trustees within the business.

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

We plan, monitor and manage carefully the viability of each of our sheltered houses and are engaged in a major investment programme to deliver and operate new facilities that will ultimately replace sheltered housing, as and when it ceases to become viable. When that time comes the proceeds from the sale or redeployment of unviable sheltered housing will be recycled into new investments in modern equivalent accommodation.

Our strategy of attracting and deploying large number of volunteers to supplement the services that our employed staff deliver to our residents has a major impact on the value for money we offer our residents. As at the end of 2016, the Society enjoyed the services of over 120 volunteers to help govern, support and develop the services we deliver to current and future residents.

ABBNEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30th SEPTEMBER 2016
(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 following individuals have served as Trustees and Directors of the Society during the period from 1 October 2015 to the date of this report:

	Date of Appointment	Date of Resignation	Office Held
Margaret Angus	01.11.2015		Society Secretary
Mary Boorman	21.01.2016		
Janet Fisher			
Dr. John Flower			Honorary Medical Officer
Nigel Macdonald			Vice Chairman
Lyn Maggs			
Marjorie Marsh		31.12.2015	
Maurice Pagella			Vice Chairman, Development Financial Trustee
Jim Ratliff			Vice Chairman
Bill Scott			
Nick Shore			Vice Chairman, Society Financial Trustee
John Shelton			Vice Chairman
Dr Malcolm Wakerley			Vice Chairman
Graham Walker			Chairman
Susanna Walker			

In accordance with the Memorandum and Articles of Association, re-elections will be established at the Annual General Meeting, which will be held at 5.00 pm on Thursday 2nd March 2017 at St Andrew's United Reformed Church, Northey Avenue, Cheam.

ABBNEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30th SEPTEMBER 2016
(continued)

BANKERS AND OTHER ADVISERS

Bankers	National Westminster Bank plc 9 High Street Cobham Surrey KT11 3DJ
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	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
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Auditor	Maurice Andrews Chartered Accountants Global House 1 Ashley Avenue Epsom, Surrey KT18 5FL
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Solicitors	Wedlake Bell 71 Queen Victoria Street London EC4V 4AY
	Trowers & Hamlin LLP 3 Bunhill Row London EC1Y 8YZ

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.

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.

ABBNEYFIELD SOUTHERN OAKS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30th SEPTEMBER 2016
(continued)

RESPONSIBILITIES OF MEMBERS OF THE TRUSTEES *(continued)*

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 25th January 2017 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 2016**

We have audited the financial statements of Abbeyfield Southern Oaks for the year ended 30th September 2016 which comprise the Statement of Financial Activities 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 TRUSTEES AND AUDITOR

As explained more fully in the Statement of Responsibilities of Members of the Trustees set out on pages 9 and 10, 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 2016 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 2016
(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

25th January 2017

Global House
1 Ashley Avenue
Epsom
Surrey KT18 5FL

ABBNEYFIELD SOUTHERN OAKS
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30th SEPTEMBER 2016

	Notes	<u>2016</u> £	<u>2015</u> £
INCOME			
Donations and legacies		216,885	2,390
Charitable activities			
Grants receivable and income from residents	3	520,960	472,541
Other trading activities	4	2,498	2,662
Investment income	5	64,552	71,283
Other income			
Development costs written back		220,656	-
Sundry other income	6	<u>45,960</u>	<u>67,975</u>
TOTAL INCOME		<u>1,071,511</u>	<u>616,851</u>
EXPENDITURE			
Raising funds	7	29,981	28,551
Charitable activities			
Direct costs	8(a)	346,138	334,130
Support costs	8(b)	123,109	91,209
Governance costs	8(c)	14,983	20,342
Other costs	9	<u>-</u>	<u>199,776</u>
TOTAL EXPENDITURE		<u>514,211</u>	<u>674,008</u>
NET INCOME (EXPENDITURE)		557,300	(57,157)
Gains/(losses) on investment assets		<u>62,743</u>	<u>(11,077)</u>
Net movement in funds for the year		620,043	(68,234)
Fund balance brought forward		<u>5,931,909</u>	<u>6,000,143</u>
Fund balance carried forward		<u>6,551,952</u>	<u>5,931,909</u>

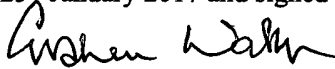
The notes on pages 15 to 24 form part of the financial statements.


ABBEYFIELD SOUTHERN OAKS**BALANCE SHEET****30th SEPTEMBER 2016**

	<u>Notes</u>	<u>2016</u>		<u>2015</u>	
		£	£	£	£
FIXED ASSETS					
Tangible assets	12		5,529,449		2,240,921
Investments	13		<u>1,137,976</u>		<u>1,077,535</u>
			6,667,425		3,318,456
CURRENT ASSETS					
Stock			1,200		1,200
Debtors	14		9,034		29,378
Cash at bank and in hand			<u>1,156,065</u>		<u>2,653,992</u>
			1,166,299		2,684,570
CREDITORS: amounts falling due within one year	15		<u>81,772</u>		<u>71,117</u>
NET CURRENT ASSETS			<u>1,084,527</u>		<u>2,613,453</u>
			7,751,952		
CREDITORS: amounts falling due after more than one year	16		<u>1,200,000</u>		<u>-</u>
NET ASSETS			<u>6,551,952</u>		<u>5,931,909</u>
CAPITAL AND RESERVES					
Accumulated funds					
Unrestricted	17		6,545,485		5,925,176
Restricted	18		<u>6,467</u>		<u>6,733</u>
			<u>6,551,952</u>		<u>5,931,909</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 January 2015).

The financial statements were approved by the Trustees
on 25th January 2017 and signed on its behalf by:-


G.A.J. Walker - Trustee


N. Shore - Trustee

The notes on pages 15 to 24 form part of the financial statements.

ABBAYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2016

1. STATUS AND ACTIVITIES OF THE SOCIETY

Abbeyfield Southern Oaks is a registered charity (No. 247308), a registered housing association (No. H1185) and a company limited by guarantee (No. 00734705) which does not have a share capital. The Society is wholly engaged in social housing activities as defined in the Housing and Regeneration Act 2008.

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

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

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

2. ACCOUNTING POLICIES

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 January 2015), Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2015), Schedule 1 to the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England 2012.

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.

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2016
(continued)

2. ACCOUNTING POLICIES *(continued)*

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 (effective January 2015) 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 2016
(continued)

3. INCOME FROM CHARITABLE ACTIVITIES

Grants receivable and income from residents charges.

	<u>2016</u>	<u>2015</u>
	£	£
Income receivable from letting of all units based on 100% occupancy	567,719	562,810
<u>Less: vacancies and void losses</u>	<u>49,357</u>	<u>100,269</u>
	518,362	462,541
Grants receivable	<u>2,598</u>	<u>10,000</u>
	<u>520,960</u>	<u>472,541</u>

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

4. INCOME FROM OTHER TRADING ACTIVITIES

	<u>2016</u>	<u>2015</u>
	£	£
Fundraising	<u>2,498</u>	<u>2,662</u>

5. INVESTMENT INCOME

	<u>2016</u>	<u>2015</u>
	£	£
Bank and short term deposits – gross	6,274	6,990
Income from investment portfolio	25,143	23,523
Income from investment property	<u>33,135</u>	<u>40,770</u>
	<u>64,552</u>	<u>71,283</u>

6. OTHER INCOME

	<u>2016</u>	<u>2015</u>
	£	£
Fee income re development	43,200	67,975
Sundry other income	<u>2,760</u>	<u>-</u>
	<u>45,960</u>	<u>67,975</u>

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2016
(continued)

7. COST OF RAISING FUNDS

	<u>2016</u>	<u>2015</u>
	£	£
Portfolio investment management fees	4,256	2,407
Investment property expenses	<u>25,725</u>	<u>26,144</u>
	<u>29,981</u>	<u>28,551</u>

8. EXPENDITURE ON CHARITABLE ACTIVITIES

	<u>2016</u>	<u>2015</u>
	£	£
a) Direct costs		
Food and household	68,928	67,049
Staff costs	150,551	131,571
Repairs and redecorations	50,164	47,821
Rates and utilities	38,938	40,699
Insurance	8,870	7,099
Telephone	3,791	4,101
Sundries	2,730	3,570
Loss on disposal of fixed assets	-	3,644
Depreciation	<u>22,166</u>	<u>28,576</u>
	<u>346,138</u>	<u>334,130</u>
b) Support costs		
Staff costs	78,336	56,368
Affiliation fees – The Abbeyfield Society	9,777	9,878
Advertising and marketing	3,260	6,792
Office expenses	7,211	7,705
Depreciation	1,331	993
Legal and professional fees	18,877	5,474
Miscellaneous expenses	<u>4,317</u>	<u>3,999</u>
	<u>123,109</u>	<u>91,209</u>
c) Governance costs		
Audit fee	10,080	14,963
Legal and professional fees	4,061	4,557
Insurance	<u>842</u>	<u>822</u>
	<u>14,983</u>	<u>20,342</u>

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2016
(continued)

9. OTHER COSTS

	<u>2016</u>	<u>2015</u>
	£	£
Developments costs		
Staff costs	-	43,504
Recruitment fees	-	6,240
Marketing	-	-
Office expenses	-	6,348
Legal and professional fees	-	<u>143,684</u>
	-	<u>199,776</u>

10. STAFF COSTS (including officers)

	<u>2016</u>	<u>2015</u>
	£	£
Salaries	261,028	209,015
Social security costs	15,386	9,970
Pension contributions	<u>4,132</u>	<u>364</u>
	<u>280,546</u>	<u>219,349</u>

Accounted for as:

Charitable activities – direct costs	150,551	120,304
Charitable activities – support costs	78,336	55,541
Development costs	<u>51,659</u>	<u>43,504</u>
	<u>280,546</u>	<u>219,349</u>

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

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

	<u>2016</u>	<u>2015</u>
Office	4	4
Social housing staff	<u>15</u>	<u>15</u>
	<u>19</u>	<u>19</u>

ABBNEYFIELD SOUTHERN OAKS**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30th SEPTEMBER 2016
(continued)**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

	Freehold investment property £	Freehold operating properties £	Assets under development £	Fixtures, fittings & equipment £	Total
Cost/valuation					
At 1.10.2015	1,350,000	1,903,866	-	121,301	3,375,167
Additions	-	-	3,301,450	10,575	3,312,025
Disposals	-	-	-	-	-
At 30.9.2016	<u>1,350,000</u>	<u>1,903,866</u>	<u>3,301,450</u>	<u>131,876</u>	<u>6,687,192</u>
Housing Association Grant					
At 1.10.2015 and at 30.9.2016	-	876,812	-	-	876,812
	<u>1,350,000</u>	<u>1,027,054</u>	<u>3,301,450</u>	<u>131,876</u>	<u>5,810,380</u>
Depreciation					
At 1.10.2015	-	191,171	-	66,263	257,434
Charge for year	-	12,890	-	10,607	23,497
Disposals	-	-	-	-	-
At 30.9.2016	-	<u>204,061</u>	-	<u>76,870</u>	<u>280,931</u>
Net book value					
At 30.9.2016	<u>1,350,000</u>	<u>822,993</u>	<u>3,301,450</u>	<u>55,006</u>	<u>5,529,449</u>
At 30.9.2015	<u>1,350,000</u>	<u>835,883</u>	<u>-</u>	<u>55,038</u>	<u>2,240,921</u>

The historic cost of the freehold investment property at the year end was £870,000 (2015 – 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 (2015 - £1,903,866) includes £630,000 (2015 - £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.

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2016
(continued)

13. FIXED ASSET INVESTMENTS

	<u>2016</u> £	<u>2015</u> £
a) Investment portfolio		
Market value brought forward	1,077,535	1,089,380
Fees paid from portfolio	(2,302)	(768)
Gains (losses) arising on portfolio during the year	<u>62,743</u>	<u>(11,077)</u>
Market value carried forward	<u><u>1,137,976</u></u>	<u><u>1,077,535</u></u>
b) Analysis of market value of portfolio		
Cash deposits held by investment advisors	25,444	5,237
UK government securities	479,860	251,483
Fixed interest securities	111,950	137,216
Equities and Unit Trusts	<u>520,722</u>	<u>683,599</u>
	<u><u>1,137,976</u></u>	<u><u>1,077,535</u></u>

14. DEBTORS

	<u>2016</u> £	<u>2015</u> £
Sundry debtors and prepayments	<u><u>9,034</u></u>	<u><u>29,378</u></u>

15. CREDITORS: amounts falling due within one year:

	<u>2016</u> £	<u>2015</u> £
Taxes and social security costs	289	4,803
Other creditors and accruals	<u>81,483</u>	<u>66,314</u>
	<u><u>81,772</u></u>	<u><u>71,117</u></u>

16. CREDITORS: amounts falling due after more than one year:

	<u>2016</u> £	<u>2015</u> £
Other creditors	<u><u>1,200,000</u></u>	<u><u>-</u></u>

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2016
(continued)

17. ACCUMULATED FUNDS - UNRESTRICTED

	Development Fund	Amenity Funds	Major Repairing Reserve	Investment Property Revaluation Reserve	General Fund	Total
		£	£	£	£	£
Balance at 1.10.2015	-	25,590	321,367	480,000	5,098,219	5,925,176
Income	200,610	8,857	-	-	1,041,388	1,250,855
Expenditure	-	(4,766)	-	-	(688,523)	(693,289)
Gains	-	-	-	-	62,743	62,743
Balance at 30.9.2016	<u>200,610</u>	<u>29,681</u>	<u>321,367</u>	<u>480,000</u>	<u>5,513,827</u>	<u>6,545,485</u>
Summary of Net Assets by Fund:						
Fixed assets	-	-	-	480,000	6,187,425	6,667,425
Net current assets	200,610	29,681	321,367	-	526,402	1,078,060
Long term liabilities	-	-	-	-	(1,200,000)	(1,200,000)
	<u>200,610</u>	<u>29,681</u>	<u>321,367</u>	<u>480,000</u>	<u>5,513,827</u>	<u>6,545,485</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. 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.

Development Fund

These funds represent donations to the Society which the Trustees have designated to be used against the costs of the major development currently underway.

ABBNEYFIELD SOUTHERN OAKS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2016
(continued)

18. ACCUMULATED FUNDS - RESTRICTED

	£
Balance at 1.10.2015	6,733
Deficit for the year	(266)
Balance at 30.9.2016	<u>6,467</u>
Summary of Net Assets by Fund:	
Net current assets	<u>6,467</u>

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 £266 was spent – this figure is part of the £2,730 sundry direct charitable expenses shown in note 8(a).

19. HOUSING STOCK

	Units under development		Units in management	
	30.9.2016	30.9.2015	30.9.2016	30.9.2015
Social Housing Accommodation				
Number of bed spaces, excluding housekeeper and guest rooms	0	0	35	35

20. ANALYSIS OF SOCIAL HOUSING INCOME AND EXPENDITURE

	<u>2016</u> £	<u>2015</u> £
Residential charges	<u>520,960</u>	<u>462,541</u>
Social housing surplus	54,473	37,202
Non social housing surplus	<u>7,410</u>	<u>14,626</u>
Total operations surplus	61,883	51,828
Investment activities surplus	27,161	28,106
Governance costs	(14,983)	(20,342)
Fundraising and donations	<u>219,383</u>	<u>5,052</u>
Net operating surplus from continuing activities	293,444	64,644
Gain (loss) on investment assets	<u>62,743</u>	(11,077)
Net surplus from operational activities	356,187	53,567
Development costs, net of grants received and write back of costs	<u>263,856</u>	<u>(121,801)</u>
Total surplus (deficit) for the year	<u>620,043</u>	<u>(68,234)</u>

ABBNEYFIELD SOUTHERN OAKS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2016
(continued)

21. SUBSEQUENT EVENT

Subsequent to the year end the Society heard that it had been successful in securing an HCA grant of £960,000 in respect of its Independent Living Community development project in Ewell, Surrey. The Society is also applying for the rollover of a Housing Association Grant in respect of a grant aided property that is in the course of being decommissioned and sold; if that rollover is not granted the Society will have to repay some or all of its grant of £134,755 to the HCA.