

Charity registration number 247308

Company registration number 00734705 (England and Wales)

**ABBNEYFIELD SOUTHERN OAKS**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

# ABBNEYFIELD SOUTHERN OAKS

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	A F Carrington	
	S L Eagle	
	D K L Horne	
	Dr A M Hoy	
	N C L Macdonald	
	J W Mann	
	Y McCabe	(Appointed 22 November 2023)
	A Mehmet	(Appointed 21 November 2023)
	S J Moore	
	A S Parsons	(Appointed 12 December 2022)
	C N Shore	
	Dr M W Wakerley	
	G A J Walker	
<b>Charity number</b>	247308	
<b>Company number</b>	00734705	
<b>Regulator of Social Housing number</b>	H1185	
<b>Registered office</b>	Nonsuch Abbeyfield Old Schools Lane	
	Ewell	
	Epsom	
	Surrey	
	KT17 1FL	
<b>Auditor</b>	FLB Audit LLP	
	1010 Eskdale Road	
	Winnersh Triangle	
	Wokingham	
	Berkshire	
	RG41 5TS	

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# ABBNEYFIELD SOUTHERN OAKS

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# **ABBNEYFIELD SOUTHERN OAKS**

## **CHAIRMAN'S STATEMENT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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### ***Introduction***

Following on from last year's report, this year has been very much a year of consolidation with a major effort to reach a much more stable 'Business-as-Usual' state following the devastation of Covid and the serious consequential disruption this caused for residents, occupancy and management. Huge credit is due to Nick Shore who has been a Trustee since 2015 and more recently took responsibility for chairing our Services Committee (which has primary responsibility to deliver all services to our residents and staff), for leading the work needed to achieve that consolidation and stabilisation initiative. We are pleased to report that quite exceptional progress towards that goal has been delivered, such that we have both felt able to stand down from our role as joint interim Chairs, with effect from October 2023, passing the mantle on to Nick. At his request we have both agreed to continue as Trustees for the time being with specific responsibilities for our strategy and future development.

### ***A farewell to three Trustees***

We were sorry to say farewell to two long standing Trustees. Margaret Angus has been our Society Secretary for a number of years and done an excellent job of keeping us fully up to date with regulatory filings and organising our Board and a huge amount of input on a number of areas. Margaret has suffered some ill health in the last year and has decided to stand down. However, she will continue to provide significant input at Services as a valued member with a lot of history. Lyn Maggs, who like Margaret has been a Trustee for a significant period has also suffered ill health and asked to stand down as a Trustee. We are hugely grateful to them both for all they have contributed in different ways to the growth of ASO and hope they will remain within the ASO family and continue to provide relevant advice from time to time.

We fully understood, but much regretted, the decision of Julie Macdonald to move back to support her family in New Zealand and consequentially to stand down as a Trustee last year. We are very grateful however for her enormous continuing support to our Finance Team as we install a new, and a much better accounting system for our business model. Julie has driven a lot of the work needed and we are indebted to her ensuring that the crucial continuity had been provided at a time when she has also needed to respond to significant other calls on her time from her far-flung family.

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

We have continued to professionalise and further strengthen our Board. Both our Executive team, led by Martin King as our Director of Business and Operations supported by Mandy Coe as our Finance Manager, and also our Trustees have taken on a number of new and challenging responsibilities. We have recently recruited 2 new Trustees - Adam Mehmet who will work alongside John Mann in looking after our properties, and Yvonne McCabe who has joined as Society Secretary. We welcome them both and they have excellent professional experience to help guide the Society forward with the ambitious plans we have. We are really pleased with how quickly all have gelled together with a common goal of ensuring our properties are up to a lettable standard and that we are providing good support to staff and residents.

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

We have been able to fill our new 60-unit independent living facility at Nonsuch Abbeyfield in Ewell and we have a waiting list of people interested in moving in. Our numbers in the Sheltered Houses have climbed steadily post covid with an excellent job being done by our Community Manager Jo Taylor and the various house staff, despite residents needing to leave us for care, or those who have sadly died.

We have always tried to ensure the safety of our residents with frequent reviews of fire risks and health and safety issues. Recent assessments have suggested that we needed to do even more. The sheer cost of some of this however has become prohibitive, and as a direct result we recently took the very sad decision to close our house in Ewell, long known as Old House.

# **ABBNEYFIELD SOUTHERN OAKS**

## **CHAIRMAN'S STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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### ***Operating in difficult times (continued)***

Old House is a Grade II listed building which has been modified over many years from a comfortable residence for a wealthy family to the current status as a sheltered house for up to 11 residents. Because it is a listed building each modification has to be agreed with the local Planning Department and we have to use increasingly costly materials which are often in short supply. We also have to use craftsmen skilled in such work. The extent of work that would be required to address the enhanced requirements of fire and safety issues at Old House made it clear to us that it was no longer practical or economic to plough further substantial funds into the property. Whilst it was sad to realise that we would have to close the house, it was thus a great relief for us to be able to accommodate quickly all the residents, either in our other properties or to find suitable care facilities for those that needed it.

New legislation and regulations have thus significantly increased the need to constantly evaluate our houses and we see this as likely to increase the requirements for further changes and upgrades as time goes on. John Mann and Adam Mehmet are ideally placed, because of the skills and experience they each possess, to help us constantly monitor each of our properties and ensure they are of a good standard for our residents.

### ***Significant Events in 2022/23***

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

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

For any years the Abbeyfield movement here and overseas has been led by The Abbeyfield Society (TAS). However, in recent years its attention has been increasing directed to managing a substantial group of supportive houses which it took over from local societies that felt unable to continue with their governance responsibilities, and handling the increasingly challenging and complex regulatory issues connected with having taken on that demanding role.

In the last year there have been significant changes to the structure of TAS and the way it operates which have also involved ongoing discussions with member societies as to how the movement should best respond to support the needs and aims of individual societies. However, the way TAS has been restructured has left little resources for the development of important areas like marketing, financial support or to maintain sufficient staff to act as keepers and disseminators of valuable information for Member Societies, and thus to help the movement maintain the standards on which its reputation and standing depends. Naturally this has become a source of growing concern for us and we will continue to monitor developments carefully.

### ***Staffing***

We have continued to recruit new staff to support our range of operations and with our plans for the immediate and longer term. We now have two part time receptionists (Mary Sponder and Robbie Smith) at Nonsuch, a new Volunteer Coordinator/Office Manager (Georgina Parker) and have been able to promote staff to take on further responsibilities, particularly Della Stewart who has taken on the role of Senior House Manager. We are planning to recruit further staff for Finance who have done a brilliant job this year coping with installing a new accounting system as well as continuing to run the existing one to year end. A huge thanks however to all our staff who have coped with a lot of responsibilities and proved very professional in all they do.

### ***The Minibus***

The Minibus has been used frequently in this year, but we are still suffering from a lack of volunteer drivers. The minibus was acquired as a result of the generous donation from the estate of Eveline Walker, a former Trustee of a predecessor Society. Thanks to the hard work of long-standing Trustee Malcolm Wakerley, it is kept in good working order, but we need to build up a stronger rota of volunteer drivers to manage regular trips to places such as vineyards, local theatres and cinemas, and shopping and garden centres.

# ABBNEYFIELD SOUTHERN OAKS

## CHAIRMAN'S STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2023

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#### *Looking forward to 2023/24*

We have ambitious and we believe exciting plans for the future, and the major item is that we completed a merger with Abbeyfield Chelsea and Fulham effective 31 January 2024. We welcome the staff and residents of the 3 properties to the ASO family. We are very grateful to the Trustees of AC&F who entrusted their assets to ASO. We also plan to sell our Grade 2 listed building, Old House in Ewell at some point in this year. However, in the meantime, we will continue to:

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

#### *Some special words of thanks*

We cannot complete this report without paying tribute to the huge amount of work that Martin King and Mandy Coe, as the Director of Business and Operations and Finance Manager respectively, have put into our whole operation under the most trying of circumstances. They have worked tirelessly and effectively, and we want to put on record our appreciation of all they have done. They have been greatly supported by the whole team, not least by Jo Taylor our Community Manager, despite her own health issues this year and Jeff Waters our Maintenance Manager. We mentioned in our introduction our gratitude for the outstanding work that has been done by Nick Shore, chairing our Services Committee with its central role in guiding the whole operation of the Society, and we join with all Trustees in being delighted and grateful that he is willing to continue in that role as well as taking on the overall Chairmanship.

This continues to be a challenging and exciting time for our Society. If you would like to join us as a Volunteer, as a Trustee or as a Resident, Nick and or any Trustee (including both of us) would love to hear from you.

Nigel Macdonald

Graham Walker

Joint Chairs – Abbeyfield Southern Oaks, February 2022 to 30 September 2023

Date: 28 February 2024

# **ABBNEYFIELD SOUTHERN OAKS**

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

### ***FOR THE YEAR ENDED 30 SEPTEMBER 2023***

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The Trustees present their annual report and audited financial statements of the Society for the year ended 30 September 2023. This should be read in conjunction with the Co-Chair's report above.

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

#### **Objectives and activities**

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

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

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

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

This was the year where we returned to normal activities in our four supported houses and Nonsuch Abbeyfield. We have full occupancy at Nonsuch and regular occupancy in supported housing. There will always be higher turnover in our residents in the supported houses, as people's needs change as they may move to care homes or leave for similar reasons.

We have reviewed our marketing proposition and launched our new website during the year. This helps showcase the quality of our supported houses and Nonsuch Abbeyfield as well as giving the user an insight into the quality of our staff and services.

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

For the year our four supported houses continued to benefit from a stable staff and support by a committed team of volunteers. We began the year with 9 vacancies of the total capacity of 37 units and ended the year with 10 vacancies out of 39 units.

During the year the Trustees commissioned health and safety and fire assessments for all supported houses to ensure that we continue to offer safe environment for our residents.

Considering the results of the review and due to the Grade II status of our Old House property it was decided to shut the property following the end of the financial year. Trustees considered that the cost of bring the property up to modern standards would not be recouped by future income generation and be a drain on the charity's resources. The former residents were offered and have taken residency in the remaining supported houses. The other three houses have facilities that continue to be up to standard.

## **ABBNEYFIELD SOUTHERN OAKS**

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

#### **FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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##### **The year in review (continued)**

Nonsuch Abbeyfield has also continued to operate effectively during the year, with the restaurant offering service throughout the year with regular events taking place, facilitated by the residents and with support from staff and volunteers.

At the start of the financial year 59 apartments at Nonsuch Abbeyfield were occupied (36 leaseholder and 23 affordable rentals). Residents continued to move in throughout the year and at year end 59 of the 60 apartments were occupied (36 leaseholder and 23 affordable rentals).

We now have accommodation for 32 older people in our 3 supported houses and 60 apartments in Nonsuch Abbeyfield, together capable of accommodating over 150 residents.

The challenge continues to be delivering the range of services at all our facilities that enhance the lives of all our residents.

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

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

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

The result for the year is a £55k deficit (2022: £106k surplus). So long as our operations continue to be disrupted by increasing utility costs and general inflation, along with our remaining defects arising from the construction of Nonsuch Abbeyfield and a wide-ranging review of our supported houses, we cannot be totally confident of a net operating surplus in the short-term. The Board monitors operating contributions from our supported houses and the decision to close Old House was an outcome of this proactive stance.

The Board continues to review our supported housing portfolio to ensure it remains viable in the changing market conditions. During 2023/24 the Trustees will review the Society's strategy for further capacity and service growth, particularly in the light of the results of the strategic review of the wider national Abbeyfield movement that has continued to progress in 2024.

The Board closely monitors the operations of all our activities and works with our Finance Manager to ensure we are aware of issues which will impact the overall results by understanding variances from our detailed budgets and to agree appropriate action. To improve our management reporting, we have invested time and funds into a new management information system which the Board consider essential for our future. This investment, whilst coming in within the budget set, did contribute in part to the year's deficit.

We finalised the account with our development contractor in July 2021, agreeing £189k of Liquidated and Ascertained Damages, which we recognised in 2020/21. We also held a retention of £187k, 1.5% of the contract value, on our balance sheet in recognition of the remaining outstanding snagging and latent defect works. The contractor went into liquidation in October 2021, so we are working with the administrators and their agents, to justify our entitlement to this amount in full to complete the rectification works. The retention, £112k at the beginning of the year, has been fully expended.

The Society managed its working capital and cash flow to ensure that its financial commitments were met during the year. Our balance sheet continues to be strong with significant property assets and good cash reserves. We achieved growth of 15% on our combined charitable activity and other trading activity income, but we are having to work hard to manage our cost base to maintain these balances.



# ABBNEYFIELD SOUTHERN OAKS

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

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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### **Overview of performance and financial position (continued)**

Post year end we have merged with Abbeyfield Chelsea & Fulham Society. The Board believe this will deliver significant benefits for both parties, enabling pooling of resources, economies of scale and sharing of best practices in both Societies. This will enable the charity to pursue its aim of considering new projects in the future at a pace in line with the Board's approach to risk.

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

### **Employees**

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

The number of full-time equivalent employees ("FTEs") is largely the same as last year. During the year to 30th September 2023, the total number of FTE employees the Society had was 14.6 with 10 full time employees and 12 part time employees (2022: FTEs 14.5).

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

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

### **Trustees and Volunteers**

The Society could not function without the invaluable help of our Volunteers and Trustees who give so much time and effort to helping the Society progress and prosper. We estimate that the number of hours given to the Society for the year ended 30th September 2023 is conservatively 9,500 which at a rate of £15 per hour has potentially saved the Society around £150,000. Many of them use their skills from their own working life and we cannot thank all our volunteers enough for all they contribute to our Society.

### **Health & Safety**

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

There were no RIDDOR reportable Health and Safety incidents in the year ended 30th September 2023 (2022: Nil).

### **Reserves**

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

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

After transfer of the deficit for the year of £55k (2022: surplus £106k), and other transfers at the year-end, income funds decreased to £7,031k (2022: £7,086k), including restricted reserves of £6.1k (2022: £6.1k).

### **Treasury management**

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

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

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

## **ABBNEYFIELD SOUTHERN OAKS**

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

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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#### **Cash flow and liquidity and security**

The statement of cash flows on page 17 of the financial statements shows that during the year the Society generated net cash inflow from operating activities of £22k (2022: £336k). Total net cash movement for the year was a cash outflow of £3,346k (2022: inflow £839k) primarily due to repayment of a significant bank loan during the year.

#### **Going concern**

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

#### **Strategic Review**

During 2019, The Abbeyfield Society initiated a review of the Strategy for the future focus and development of the Abbeyfield community of societies. The aim of the review was to ensure that it was up to date and relevant in the current social and economic climate. The review resulted in a significant restructuring of the way the movement will be run and financed. Our board was invited to participate at various stages but not in the final decisions. As a result, we will be reviewing our own strategy and plans considering those significant changes in the coming year.

#### **Risk Management**

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

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

#### **Value for Money**

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

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

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

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

## **ABBNEYFIELD SOUTHERN OAKS**

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

#### ***FOR THE YEAR ENDED 30 SEPTEMBER 2023***

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##### **Value for Money Metrics**

The Regulator of Social Housing requires the Society to publish performance metrics against its own Value for Money targets. These measure economy, efficiency and effectiveness of all similar operations.

There are 7 metrics covered by this technical note. The society did not set specific targets at the beginning of the financial year.

##### **Metric 1 – Reinvestment %**

The Reinvestment metric looks at the investment in properties (Existing stock and New Supply) as a percentage of the value of total properties held.

The Society metric for reinvestment is 2.62%

##### **Metric 2 – New Supply Delivered %**

The New Supply metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.

The Society metric for new supply delivery for social housing units is 3.17%

No new supply was delivered in the year for non-social housing units.

##### **Metric 3 – Gearing %**

The gearing metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance.

The gearing for the Society is negative at -30.7%

##### **Metric 4 - Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %**

The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity.

The EBITDA MRI interest cover for the Society is 1,288%

##### **Metric 5 - Headline social housing cost per unit**

The Headline social housing cost per unit metric assesses the headline social housing cost per unit as defined by the regulator.

The headline social housing cost per unit for the Society is £14,500.

##### **Metric 6 - Operating Margin %**

The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account.

The Society's operating margin on social housing lettings only is negative at -3.26%.

The Society's overall operating margin is negative at -3.27%.

##### **Metric 7 - Return on capital employed (ROCE) %**

The ROCE compares the operating surplus to total assets less current liabilities.

The Society's ROCE is negative at -0.61%

## **ABBNEYFIELD SOUTHERN OAKS**

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

***FOR THE YEAR ENDED 30 SEPTEMBER 2023***

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

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

The Society is a registered charity, a registered housing association, and a company limited by guarantee which does not have a share capital. Every member of the Society undertakes to contribute an amount not exceeding £1 to the assets of the Society in the event of winding up. The total number of such members at 30th September 2023 was 48 (2022: 48).

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

M C Angus	(Resigned 12 August 2023)
A F Carrington	
S L Eagle	
D K L Horne	
Dr A M Hoy	
J Macdonald	(Resigned 21 December 2022)
N C L Macdonald	
L Maggs	(Resigned 10 November 2023)
J W Mann	
Y McCabe	(Appointed 22 November 2023)
A Mehmet	(Appointed 21 November 2023)
S J Moore	
A S Parsons	(Appointed 12 December 2022)
C N Shore	
Dr M W Wakerley	
G A J Walker	

In accordance with the Memorandum and Articles of Association, re-elections will be established at the Annual General Meeting, which will be held virtually at 4:00pm on Monday 11th March 2024.

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

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

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

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

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

## **ABBNEYFIELD SOUTHERN OAKS**

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

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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#### **Statement of Trustees responsibilities**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Housing SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

#### **Disclosure of information to auditor**

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

The Trustees report was approved by the Board of Trustees.

N C L Macdonald  
Trustee

A S Parsons  
Trustee

C N Shore  
Trustee

28 February 2024

# ABBEYFIELD SOUTHERN OAKS

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ABBEYFIELD SOUTHERN OAKS

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#### Opinion

We have audited the financial statements of Abbeyfield Southern Oaks (the 'charity') for the year ended 30 September 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2019.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

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

We have nothing to report in this regard.

# ABBEYFIELD SOUTHERN OAKS

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

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

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

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

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

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

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

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

### Responsibilities of Trustees

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

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

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

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

We have gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures at charity levels to respond to the risk, recognising that risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, Charities Act 2011, taxation legislation, financial authority regulation, data protection, anti-bribery and health and safety legislation.

## **ABBEYFIELD SOUTHERN OAKS**

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

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

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

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

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

#### **Use of our report**

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

**Daniel Faust (Senior Statutory Auditor)**  
**for and on behalf of FLB Audit LLP**  
**Statutory Auditor**  
1010 Eskdale Road  
Winnersh Triangle  
Wokingham  
Berkshire  
RG41 5TS

29 February 2024



## ABBNEYFIELD SOUTHERN OAKS

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2023

		Unrestricted funds 2023	Restricted funds 2023	Total 2023	Unrestricted funds 2022	Restricted funds 2022	Total 2022
	Notes	£	£	£	£	£	£
<b>Income and endowments from:</b>							
Donations and legacies	3	61,811	-	61,811	63,629	-	63,629
Charitable activities	4	1,673,285	-	1,673,285	1,361,755	-	1,361,755
Other trading activities	5	31,088	-	31,088	113,990	-	113,990
Investments	6	53,010	-	53,010	34,987	-	34,987
Other income	7	17,585	-	17,585	4,000,000	-	4,000,000
<b>Total income</b>		<b>1,836,779</b>	<b>-</b>	<b>1,836,779</b>	<b>5,574,361</b>	<b>-</b>	<b>5,574,361</b>
<b>Expenditure on:</b>							
Raising funds	8	-	-	-	240	-	240
Charitable activities	9	1,914,658	-	1,914,658	1,748,814	-	1,748,814
Other	11	(22,999)	-	(22,999)	3,719,392	-	3,719,392
<b>Total expenditure</b>		<b>1,891,659</b>	<b>-</b>	<b>1,891,659</b>	<b>5,468,446</b>	<b>-</b>	<b>5,468,446</b>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(54,880)</b>	<b>-</b>	<b>(54,880)</b>	<b>105,915</b>	<b>-</b>	<b>105,915</b>
Fund balances at 1 October 2022		7,079,959	6,142	7,086,101	6,974,044	6,142	6,980,186
<b>Fund balances at 30 September 2023</b>		<b>7,025,079</b>	<b>6,142</b>	<b>7,031,221</b>	<b>7,079,959</b>	<b>6,142</b>	<b>7,086,101</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

# **ABBNEYFIELD SOUTHERN OAKS**

## **BALANCE SHEET**

**AS AT 30 SEPTEMBER 2023**

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	16		7,460,481		7,558,355
<b>Current assets</b>					
Stocks	18	9,009		8,336	
Debtors	19	67,985		27,196	
Cash at bank and in hand		1,917,125		5,263,506	
		1,994,119		5,299,038	
<b>Creditors: amounts falling due within one year</b>	20	(518,595)		(3,826,638)	
Net current assets			1,475,524		1,472,400
<b>Total assets less current liabilities</b>			8,936,005		9,030,755
<b>Creditors: amounts falling due after more than one year</b>	21		(1,904,784)		(1,944,654)
<b>Net assets</b>			7,031,221		7,086,101
<b>Income funds</b>					
Restricted funds	25		6,142		6,142
<b>Unrestricted funds</b>					
Designated funds	26	642,292		597,102	
General unrestricted funds		5,522,329		5,622,399	
Revaluation reserve		860,458		860,458	
			7,025,079		7,079,959
			7,031,221		7,086,101

The financial statements were approved by the Trustees on 28 February 2024

N C L Macdonald  
Trustee

A S Parsons  
Trustee

C N Shore  
Trustee

Company registration number 00734705

## ABBNEYFIELD SOUTHERN OAKS

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

		2023		2022	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28		22,296		336,216
<b>Investing activities</b>					
Purchase of tangible fixed assets		(268,439)		(18,885)	
Proceeds from sale of development properties		-		4,000,000	
Investment income received		53,010		9,987	
<b>Net cash (used in)/generated from investing activities</b>			(215,429)		3,991,102
<b>Financing activities</b>					
Repayment of bank loans		(3,153,248)		(3,394,161)	
Interest paid on borrowings		-		(94,454)	
<b>Net cash used in financing activities</b>			(3,153,248)		(3,488,615)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(3,346,381)		838,703
Cash and cash equivalents at beginning of year			5,263,506		4,424,803
<b>Cash and cash equivalents at end of year</b>			1,917,125		5,263,506

# ABBEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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### **1 Accounting policies**

#### **Charity information**

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

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

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

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

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

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

#### **1.1 Accounting convention**

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

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

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

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

#### **SORP Departure**

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

The Statement of Changes in Reserves required under the Housing SORP has also been omitted, however this information is presented in Notes 25, 26 & 27 of the financial statements.

#### **1.2 Going concern**

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

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

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### 1 Accounting policies

(Continued)

#### 1.3 Charitable funds

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

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

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

#### 1.4 Income

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

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

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

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

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

Interest income is recognised using the effective interest rate method.

#### 1.5 Expenditure

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

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

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

### 1 Accounting policies

(Continued)

#### 1.6 Tangible fixed assets

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

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

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

Freehold land and buildings	Straight line over 5 to 50 years
Fixtures, fittings and equipment	Straight line over 5 to 25 years
Motor vehicles	Straight line over 5 years

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

Freehold land is not depreciated.

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

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

#### 1.7 Impairment of fixed assets

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

#### 1.8 Stocks

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

#### 1.9 Cash and cash equivalents

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

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

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

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

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

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

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

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

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

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

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

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

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

#### 1.11 Retirement benefits

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

#### 1.12 Government Grants - Social Housing Grants

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

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

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

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

### 2 Critical accounting estimates and judgements

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

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

#### Key sources of estimation uncertainty

##### Useful economic lives

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

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	21,942	23,760
Government grants receivable	39,869	39,869
	<u>61,811</u>	<u>63,629</u>

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

### 4 Income from charitable activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
<b>Charitable activities</b>		
Income receivable from letting of units	<u>1,673,285</u>	<u>1,361,755</u>



# **ABBNEYFIELD SOUTHERN OAKS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

### **5 Income from other trading activities**

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other services	31,088	113,990
	<u>          </u>	<u>          </u>

### **6 Investments**

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Lease premium income	25,000	25,000
Interest receivable	28,010	9,987
	<u>          </u>	<u>          </u>
	53,010	34,987
	<u>          </u>	<u>          </u>

### **7 Other income**

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other income	17,585	-
Proceeds from sale of flats	-	4,000,000
	<u>          </u>	<u>          </u>
	17,585	4,000,000
	<u>          </u>	<u>          </u>

### **8 Raising funds**

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising costs	-	240
	<u>          </u>	<u>          </u>
	-	240
	<u>          </u>	<u>          </u>

# **ABBNEYFIELD SOUTHERN OAKS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

### **9 Charitable activities**

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Staff costs	493,872	240,317
Depreciation and impairment	366,314	337,951
Food and household	125,226	133,400
Repairs and redecoration	62,505	132,015
Rates and utilities	202,445	139,903
Insurance	23,778	24,485
Telephone	23,066	20,854
Catering costs	281,232	254,890
Sundries	26,669	55,439
Affiliation fees	20,060	21,957
	<u>1,625,167</u>	<u>1,361,211</u>
Share of support costs (see note 10)	264,066	375,827
Share of governance costs (see note 10)	25,425	11,776
	<u>1,914,658</u>	<u>1,748,814</u>

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

### **10 Support costs**

	Support costs	Governance costs	2023Support costs	Governance costs	2022
	£	£	£	£	£
Staff costs	117,734	-	117,734	264,904	264,904
Miscellaneous expenses	16,668	-	16,668	9,205	9,205
Office expenses	64,896	-	64,896	38,285	38,285
Legal and professional fees	64,768	-	64,768	63,433	63,433
Audit fees	-	22,952	22,952	-	6,356
Miscellaneous	-	2,473	2,473	-	5,420
	<u>264,066</u>	<u>25,425</u>	<u>289,491</u>	<u>375,827</u>	<u>387,603</u>
Analysed between					
Charitable activities	<u>264,066</u>	<u>25,425</u>	<u>289,491</u>	<u>375,827</u>	<u>387,603</u>

# **ABBNEYFIELD SOUTHERN OAKS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

### **11 Other**

	<b>Unrestricted funds 2023</b>	<b>Unrestricted funds 2022</b>
Development costs for flats sold	-	3,497,128
Loan interest	7,054	94,454
Other expenditure	(30,053)	127,810
	<u>(22,999)</u>	<u>3,719,392</u>

### **12 Trustees**

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2022: Nil)

### **13 Auditor's remuneration**

<b>Fees payable to the charity's auditor and associates:</b>	<b>2023 £</b>	<b>2022 £</b>
Audit of the charity's annual accounts	19,500	10,000
	<u>19,500</u>	<u>10,000</u>
<b>Non-audit services</b>		
All other non-audit services	2,500	3,500
	<u>2,500</u>	<u>3,500</u>

### **14 Employees**

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

	<b>2023 Number</b>	<b>2022 Number</b>
Office	8	6
Social housing staff	12	13
	<u>20</u>	<u>19</u>
	<u>20</u>	<u>19</u>
<b>Employment costs</b>		
	<b>2023 £</b>	<b>2022 £</b>
Wages and salaries	560,166	459,376
Social security costs	43,012	38,629
Other pension costs	8,428	6,311
	<u>611,606</u>	<u>504,316</u>
	<u>611,606</u>	<u>504,316</u>

# **ABBNEYFIELD SOUTHERN OAKS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

### **14 Employees**

**(Continued)**

The total remuneration (including pension contributions) for key management personnel amounted to £176,552 (2022: £153,978).

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

	2023 Number	2022 Number
£70,001 to £80,000	-	2
£80,001 to £90,000	2	-
	<u>2</u>	<u>-</u>

### **15 Taxation**

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

### **16 Tangible fixed assets**

	Freehold land and buildings	Assets under construction	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 October 2022	7,236,447	-	1,237,099	14,880	8,488,426
Additions	15,401	63,795	189,243	-	268,439
	<u>7,251,848</u>	<u>63,795</u>	<u>1,426,342</u>	<u>14,880</u>	<u>8,756,865</u>
At 30 September 2023	7,251,848	63,795	1,426,342	14,880	8,756,865
<b>Depreciation and impairment</b>					
At 1 October 2022	709,014	-	215,105	5,952	930,071
Depreciation charged in the year	302,939	-	60,398	2,976	366,313
	<u>1,011,953</u>	<u>-</u>	<u>275,503</u>	<u>8,928</u>	<u>1,296,384</u>
At 30 September 2023	1,011,953	-	275,503	8,928	1,296,384
<b>Carrying amount</b>					
At 30 September 2023	6,239,895	63,795	1,150,839	5,952	7,460,481
	<u>6,527,433</u>	<u>-</u>	<u>1,021,994</u>	<u>8,928</u>	<u>7,558,355</u>
At 30 September 2022	6,527,433	-	1,021,994	8,928	7,558,355

The valuation of freehold operating properties shown above of £7,251,848 (2021: £7,236,447) includes £1,405,844 (2022: £1,405,844) attributed to the land element of the properties as estimated by the Trustees.

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

# **ABBNEYFIELD SOUTHERN OAKS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

<b>17</b>	<b>Financial instruments</b>		<b>2023</b>	<b>2022</b>
			<b>£</b>	<b>£</b>
	<b>Carrying amount of financial assets</b>			
	Measured at amortised cost		31,166	2,025
			<u>          </u>	<u>          </u>
	<b>Carrying amount of financial liabilities</b>			
	Measured at amortised cost		2,285,159	5,752,583
			<u>          </u>	<u>          </u>
<b>18</b>	<b>Stocks</b>		<b>2023</b>	<b>2022</b>
			<b>£</b>	<b>£</b>
	Restaurant and shop stock		9,009	8,336
			<u>          </u>	<u>          </u>
<b>19</b>	<b>Debtors</b>		<b>2023</b>	<b>2022</b>
			<b>£</b>	<b>£</b>
	<b>Amounts falling due within one year:</b>			
	Trade debtors		21,083	(7,389)
	Other debtors		10,083	2,025
	Prepayments and accrued income		36,819	32,560
			<u>          </u>	<u>          </u>
			67,985	27,196
			<u>          </u>	<u>          </u>
<b>20</b>	<b>Creditors: amounts falling due within one year</b>		<b>2023</b>	<b>2022</b>
		<b>Notes</b>	<b>£</b>	<b>£</b>
	Bank loans	<b>23</b>	-	3,153,248
	Other taxation and social security		13,270	11,320
	Deferred income	<b>22</b>	164,819	189,819
	Trade creditors		75,979	100,960
	Other creditors		10,338	161,440
	Accruals		254,189	209,851
			<u>          </u>	<u>          </u>
			518,595	3,826,638
			<u>          </u>	<u>          </u>
<b>21</b>	<b>Creditors: amounts falling due after more than one year</b>		<b>2023</b>	<b>2022</b>
		<b>Notes</b>	<b>£</b>	<b>£</b>
	Deferred income	<b>22</b>	1,624,444	1,664,314
	Other creditors		280,340	280,340
			<u>          </u>	<u>          </u>
			1,904,784	1,944,654
			<u>          </u>	<u>          </u>

## ABBNEYFIELD SOUTHERN OAKS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

#### 22 Deferred income

	2023 £	2022 £
Arising from government grants	1,664,313	1,704,183
Other deferred income	124,950	149,950
	<u>1,789,263</u>	<u>1,854,133</u>

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

These grants may be repayable in the event that the relevant property is sold, or the Society ceases to use it for social housing, or if certain other relevant events take place, but can be rolled over into other purchases or development activities in certain circumstances. The total value of the grants awarded to the charity is £1,993,441 (2022: £1,993,441).

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	164,819	189,819
Non-current liabilities	1,624,444	1,664,314
	<u>1,789,263</u>	<u>1,854,133</u>
Movements in the year:		
Deferred income at 1 October	1,854,133	1,919,001
Released from previous periods	(64,870)	(64,868)
	<u>1,789,263</u>	<u>1,854,133</u>
Deferred income at 30 September	<u>1,789,263</u>	<u>1,854,133</u>

#### 23 Loans and overdrafts

	2023 £	2022 £
Bank loans	-	3,153,248
	<u>-</u>	<u>3,153,248</u>
Payable within one year	-	3,153,248
	<u>-</u>	<u>3,153,248</u>

# ABBNEYFIELD SOUTHERN OAKS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

### 23 Loans and overdrafts

(Continued)

During the previous year, the bank loans were converted from development loans to term loans. The term bank loans had a fixed interest rate of 1.9% over the base interest rate and were secured on the Society's properties.

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

### 24 Retirement benefit schemes

#### Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £8,428 (2022: £6,311).

### 25 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 October 2022	At 30 September 2023
	£	£
The Old House Legacy	6,142	6,142
	<u>        </u>	<u>        </u>
Previous year:	At 1 October 2021	At 30 September 2022
	£	£
The Old House Legacy	6,142	6,142
	<u>        </u>	<u>        </u>

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

# **ABBNEYFIELD SOUTHERN OAKS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

### **26 Unrestricted funds**

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 October 2022	Incoming resources	Resources expended	At 30 September 2023
	£	£	£	£
<b>Designated funds</b>				
Amenity Funds	33,938	3,527	(9,271)	28,194
Major Repair Reserves	490,675	56,923	-	547,598
Resident Transport Reserve	72,489	358	(6,347)	66,500
<b>General funds</b>	5,622,399	1,775,971	(1,876,041)	5,522,329
<b>Revaluation reserve</b>	860,458	-	-	860,458
	<u>7,079,959</u>	<u>1,836,779</u>	<u>(1,891,659)</u>	<u>7,025,079</u>

Previous year:	At 1 October 2021	Incoming resources	Resources expended	At 30 September 2022
	£	£	£	£
<b>Designated funds</b>				
Amenity Funds	28,992	7,138	(2,192)	33,938
Major Repair Reserves	433,752	56,923	-	490,675
Resident Transport Reserve	86,152	-	(13,663)	72,489
<b>General funds</b>	5,564,690	5,510,300	(5,452,591)	5,622,399
<b>Revaluation reserve</b>	860,458	-	-	860,458
	<u>6,974,044</u>	<u>5,574,361</u>	<u>(5,468,446)</u>	<u>7,079,959</u>

#### **Amenity Funds**

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

#### **Major Repairing Reserve**

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

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

#### **Resident Transport Reserve**

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



# **ABBNEYFIELD SOUTHERN OAKS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

### **27 Analysis of net assets between funds**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<b>Fund balances at 30 September 2023 are represented by:</b>			
Tangible assets	7,460,481	-	7,460,481
Current assets/(liabilities)	1,469,382	6,142	1,475,524
Long term liabilities	(1,904,784)	-	(1,904,784)
	<u>7,025,079</u>	<u>6,142</u>	<u>7,031,221</u>

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<b>Fund balances at 30 September 2022 are represented by:</b>			
Tangible assets	7,558,355	-	7,558,355
Current assets/(liabilities)	1,466,258	6,142	1,472,400
Long term liabilities	(1,944,654)	-	(1,944,654)
	<u>7,079,959</u>	<u>6,142</u>	<u>7,086,101</u>

### **28 Cash generated from operations**

	2023 £	2022 £
(Deficit)/surplus for the year	(54,880)	105,915
Adjustments for:		
Investment income recognised in statement of financial activities	(53,010)	(34,987)
Loan interest paid	-	94,454
Gain on disposal of tangible fixed assets	-	(502,872)
Grant income receivable	(39,869)	(39,869)
Loss/(profit) on sale of tangible fixed assets	-	154
Depreciation and impairment of tangible fixed assets	366,314	337,797
Movements in working capital:		
(Increase) in stocks	(673)	(1,863)
(Increase)/decrease in debtors	(40,789)	444,710
(Decrease) in creditors	(129,796)	(42,223)
(Decrease) in deferred income	(25,002)	(25,000)
<b>Cash generated from operations</b>	<u>22,295</u>	<u>336,216</u>

## ABBNEYFIELD SOUTHERN OAKS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

#### 29 Analysis of changes in net funds

	At 1 October 2022	Cash flows	At 30 September 2023
	£	£	£
Cash at bank and in hand	5,263,506	(3,346,381)	1,917,125
Loans falling due within one year	(3,153,248)	3,153,248	-
	<u>2,110,258</u>	<u>(193,133)</u>	<u>1,917,125</u>

#### 30 Events after the reporting date

On 31 January 2024, Abbeyfield Southern Oaks merged with another charity, Abbeyfield Chelsea and Fulham Society. The estimated financial impact of this merger is an increase to net assets of £2,106,720.

#### 31 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

#### 32 Social Housing Stock

The number of bed spaces excluding housekeeper & guest rooms available as Social Housing Accommodation for the year was 63 (2022: 61).

All properties are owned and managed by the Society.

#### 33 Contingencies

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

# **ABBNEYFIELD SOUTHERN OAKS**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Rent receivable excluding service charges	292,464	286,370
Service charges	590,487	526,214
Government grants receivable	24,688	39,869
Other income in relation to the provision of services to residents in social housing	267,100	250,451
	<b>1,174,739</b>	<b>1,102,905</b>
<b>Operating expenditure</b>		
Affiliation fees	(12,967)	(21,957)
Housekeeping & catering	(204,702)	(195,714)
Depreciation	(230,325)	(130,298)
Insurance	(15,576)	(16,216)
Rates & utilities	(122,556)	(80,922)
Repairs & decorations	(48,715)	(51,430)
Staff costs	(451,433)	(357,421)
Sundries	(20,631)	(28,862)
Telephone	(11,576)	(3,405)
Office expenses	(40,338)	(22,094)
Loan interest	(4,436)	-
Audit fee	(9,030)	(3,834)
Legal & professional	(40,730)	(28,705)
	<b>(1,213,015)</b>	<b>(940,859)</b>
<b>Surplus/(deficit) for the year in respect of social housing activities</b>	<b>(38,276)</b>	<b>162,046</b>
<i>Void losses (being rental income lost as a result of property not being let, although it is available for letting)</i>	<i>(200,737)</i>	<i>(164,548)</i>

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