

Abbeyfield Scotland Limited

Report and Financial Statements

For the year ended 31st March 2010

Registered Housing Association No. HAL20

FSA Reference No. 1883R(S)

Scottish Charity No. SC012549

ABBNEYFIELD SCOTLAND LIMITED

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ABBNEYFIELD SCOTLAND LIMITED

**MANAGEMENT COMMITTEE , EXECUTIVES AND ADVISERS
YEAR ENDED 31st MARCH 2010**

MANAGEMENT COMMITTEE

MICHAEL WHITE
JAMES G CRAIGIE
JOHN ROBERTSON
MARTYN RENDLE
NANCE SMITH
JIM POLLOCK
DAVID BELFALL
ELIZABETH MILLER
JOHN COSTIGAN
JOHN EARLY
ALISTAIR THOMSON
PETER FURNISS

Chairperson
Secretary

(Resigned March 2010)

(Resigned September 2009)

**EXECUTIVE OFFICERS
SANDRA SMITH**

Interim Manager

**REGISTERED OFFICE
15 WEST MAITLAND STREET
EDINBURGH
EH12 5EA**

**AUDITORS
ALEXANDER SLOAN
CHARTERED ACCOUNTANTS
38 CADOGAN STREET
GLASGOW
G2 7HF**

**BANKERS
THE ROYAL BANK OF SCOTLAND
142-144 PRINCES STREET
EDINBURGH
EH2 4EQ**

**SOLICITORS
TC YOUNG SOLICITORS
7 WEST GEORGE STREET
GLASGOW
G2 1BA**

**FINANCE AGENTS
FMD FINANCIAL SERVICES
29 LADYLOAN PLACE
GLASGOW
G15 8LB**

ABBNEYFIELD SCOTLAND LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2010

The Management Committee presents its report and the Financial Statements for the year ended 31st March 2010.

Legal Status

Abbeyfield Scotland Limited is a Registered Social Landlord and is registered as a non-profit making organisation under the Industrial and Provident Societies Act 1965 No. 1883R(S). Abbeyfield Scotland is constituted under its Rule book and is a registered Scottish Charity with the charity number SC012549. It is also registered with the Financial Services Authority and the Scottish Housing Regulator No. HAL20.

Principal Activities

Abbeyfield Scotland's principal activities are the provision of rented accommodation and the provision of care and support services for lonely or frail elderly people.

Review of Business and Future Developments

Resources during the year were concentrated on consolidating affairs following the mergers in 2008. Major work streams included preparation of housing support plans for all tenants, reviewing gross charges to tenants, to separate rent from service charges and supporting people funds, and harmonising salaries, terms and conditions for staff employed at the houses.

Health and safety also demanded a high level of resource and an external audit carried out by ACS in September 2009 concluded that the health and safety management system was rigorously managed and in an impressive state.

Planned and cyclical maintenance programmes were developed and implemented and several houses benefited from the Scottish Government grant funding for aids and adaptations to assist tenants with mobility and other problems to continue to live independently.

In-house financial capacity was increased with the recruitment of a full-time finance office in the third quarter and agency services decreased accordingly. IT services were improved and extended to a number of houses. Consultants were appointed to plan and implement a strategy to reduce energy costs across the houses. The benefits of these developments will be apparent in 2010/11.

The website was launched and increasing use is made of this in relation to lettings and recruitment.

The review of the business plan commenced with approval of a revised statement of intent, the commissioning of an updated stock condition survey, and the production of financial projections. Alongside this plans for re-development at Rosemarkie in Black Isle were progressed.

The challenges of high voids and central overheads continued and the long-term viability of all houses was examined in detail as part of the business plan review. The house in Cambuslang was closed when the final few tenants left and it will be marketed for sale.

Volunteers continued to play a vital role in the model of service delivery with impressive programmes of social events and events at many houses.

**REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31ST MARCH 2010**

Management Committee and Executive Officers

The members of the Management Committee and the Executive Officers are listed on Page 1.

Each member of the Management Committee holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the Association's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Management Committee.

The members of the Management Committee are also Trustees of the Charity. Members of the Management Committee are appointed by the members at the Annual General Meeting.

Statement of Management Committee's Responsibilities

The Industrial and Provident Societies Acts 1965 to 2002 require the Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the organisation and of the surplus or deficit of the organisation for that period. In preparing those Financial Statements, the Management Committee is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the organisation will continue in business.
- prepare a statement on Internal Financial Control.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the organisation and to enable them to ensure that the Financial Statements comply with the Industrial and Provident Societies Acts 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the organisation's suppliers are paid promptly.

The Management Committee must in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Management Committee are aware:

- There is no relevant audit information (information needed by the organisation's auditors in connection with preparing their report) of which the organisation's auditors are unaware, and
- The Management Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the organisation's auditors are aware of that information

ABBNEYFIELD SCOTLAND LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2010

Statement on Internal Financial Control

The Management Committee acknowledges its ultimate responsibility for ensuring that the organisation has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the organisation, or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition.

It is the Management Committee's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. Key elements of the organisation's systems include ensuring that:

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of the organisation's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- regular financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- the Management Committee receive reports from management and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the organisation is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

Donations

During the year the Association made charitable donations amounting to £2,100 (2009 £Nil)

Auditors

A resolution to re-appoint the Auditors, Alexander Sloan, Chartered Accountants, will be proposed at the Annual General Meeting.

By order of the Management Committee

JAMES G CRAIGIE

Secretary

18 August 2010

ABBNEYFIELD SCOTLAND LIMITED

**REPORT BY THE AUDITORS TO THE MANAGEMENT COMMITTEE OF
ABBNEYFIELD SCOTLAND LIMITED
ON CORPORATE GOVERNANCE MATTERS**

In addition to our audit of the Financial Statements, we have reviewed your statement on Page 4 concerning the organisation's compliance with the information required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing".

Basis of Opinion

We carried out our review having regard to the requirements relating to corporate governance matters within Bulletin 2006/5 issued by the Auditing Practices Board. The Bulletin does not require us to review the effectiveness of the organisation's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 4 has provided the disclosures required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing" and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the Management Committee and Officers of the organisation, and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the organisation's compliance with the information required by the section on Internal Financial Control within SFHA's "Raising Standards in Housing".



ALEXANDER SLOAN
Chartered Accountants

GLASGOW
18 August 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEYFIELD SCOTLAND LIMITED

We have audited the financial statements of Abbeyfield Scotland Limited for the year ended 31st March 2010 which comprise an income and expenditure account, balance sheet and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to Abbeyfield Scotland's members, as a body, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the organisation's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Abbeyfield Scotland and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Management Committee and Auditors

As described in the Statement of Management Committee's Responsibilities Abbeyfield Scotland's Management Committee are responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Act 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007. We also report to you if, in our opinion, the Management Committee's Report is consistent with the Financial Statements, if the organisation has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Management Committee's remuneration and transactions with Abbeyfield Scotland is not disclosed.

We read the Management Committee's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Management Committee in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the organisation's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion the Financial Statements:

give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of Abbeyfield Scotland's affairs as at 31st March 2010 and of its income and expenditure for the year then ended; and

have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007.

In our opinion, the information given in the Management Committee's Report is consistent with the financial statements.



ALEXANDER SLOAN
Chartered Accountants
Statutory Auditors
GLASGOW
18 August 2010

ABBNEYFIELD SCOTLAND LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

| | Notes | 2010 £ | 2009 £ |
|--------------------------------------|-------|-------------|-------------|
| TURNOVER | 2. | 2,832,187 | 2,716,900 |
| Operating Costs | 2. | (3,779,743) | (3,661,155) |
| OPERATING SURPLUS | 8. | (947,556) | (944,255) |
| Impairment of Investments | 21. | 111,779 | (128,706) |
| Interest Receivable and Other Income | | 42,136 | 141,472 |
| Interest Payable and Similar Charges | 7. | (462) | (709) |
| | | 153,453 | 12,057 |
| DEFICIT ON ORDINARY ACTIVITIES | | (794,103) | (932,198) |

STATEMENT OF RECOGNISED GAINS AND LOSSES

| | 2010 £ | 2009 £ |
|---|-----------|-------------|
| Deficit for the year | (794,103) | (932,198) |
| Prior Period adjustment | 23. - | (249,428) |
| Total Recognised Gains and Losses since last Report | (794,103) | (1,181,626) |

ABBEYFIELD SCOTLAND LIMITED

BALANCE SHEET AS AT 31st MARCH 2010

| | Notes | 2010 £ | 2009 £ |
|---|--------|-------------------------|-------------------------|
| TANGIBLE FIXED ASSETS | | | |
| Housing Properties - Depreciated Cost | 10.(a) | 8,848,561 | 8,811,803 |
| Less: Social Housing Grant | 10.(a) | (5,906,967) | (5,844,050) |
| | | <u>2,941,594</u> | <u>2,967,753</u> |
| Other fixed assets | 10.(b) | 211,683 | 292,438 |
| | | <u>3,153,277</u> | <u>3,260,191</u> |
| FIXED ASSET INVESTMENTS | 21. | 571,311 | 419,888 |
| CURRENT ASSETS | | | |
| Debtors - due within one year | 13. | 262,118 | 260,852 |
| Debtors - due in more than one year | 13. | 68,992 | 129,488 |
| Investments | 22. | 1,501,720 | 1,399,016 |
| Cash at bank and in hand | | 1,066,301 | 1,821,764 |
| | | <u>2,899,131</u> | <u>3,611,120</u> |
| CREDITORS: Amounts falling due within one year | 14. | (578,323) | (441,693) |
| NET CURRENT ASSETS | | <u>2,320,808</u> | <u>3,169,427</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>6,045,396</u> | <u>6,849,506</u> |
| CREDITORS: Amounts falling due after more than one year | 15. | - | (10,009) |
| NET ASSETS | | <u><u>6,045,396</u></u> | <u><u>6,839,497</u></u> |
| CAPITAL AND RESERVES | | | |
| Share Capital | 16. | 556 | 554 |
| Designated Reserves | 18.(a) | 2,929,255 | 2,646,894 |
| Revenue Reserves | 18.(b) | 2,672,735 | 3,749,199 |
| Restricted Reserves | 18.(c) | 329,182 | 329,182 |
| Revaluation Reserves | 18.(d) | 113,668 | 113,668 |
| | | <u>6,045,396</u> | <u>6,839,497</u> |

The Financial Statements were approved by the
Management Committee and signed on their behalf on 18 August 2010

Chairperson

Michael White

Committee Member

Dr Robert

Secretary

James G. Gair

ABBNEYFIELD SCOTLAND LIMITED

**CASH FLOW STATEMENT FOR THE YEAR ENDED
31st MARCH 2010**

| | Notes | 2010 £ | 2009 £ |
|---|----------|------------------|----------------|
| Net Cash (Outflow) from Operating Activities | 17. | (634,170) | (435,667) |
| Returns on Investment and Servicing of Finance | | | |
| Interest Received | 97,821 | 85,787 | |
| Interest Paid | (462) | (709) | |
| Net Cash (Outflow) from Investment and Servicing of Finance | | 97,359 | 85,078 |
| Capital Expenditure and Financial Investment | | | |
| Acquisition and Construction of Properties | (62,917) | - | |
| Purchase of Other Fixed Assets | (10,466) | (43,299) | |
| Social Housing Grant Received | 7,448 | - | |
| Purchase of Fixed Asset Investments | (59,644) | - | |
| Disposal of Fixed Asset Investments | 20,000 | 4,000 | |
| Net Cash (Outflow) from Capital Expenditure and Financial Investment | | (105,579) | (39,299) |
| Net Cash (Outflow) before use of Liquid Resources and Financing | | (642,390) | (389,888) |
| Management of Liquid Resources | | | |
| Change in short term deposits with banks | | (102,704) | 890,127 |
| Financing | | | |
| Loan Principal Repayments | (10,372) | (313) | |
| Share Capital Issued | 3 | - | |
| Net Cash Inflow from Financing | | (10,369) | (313) |
| (Decrease) in Cash | 17. | <u>(755,463)</u> | <u>499,926</u> |

ABBNEYFIELD SCOTLAND LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Basis Of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords 2008, and on the historical cost basis. They also comply with the Registered Social Landlords Accounting Requirements (Scotland) Order 2007. A summary of the more important accounting policies is set out below.

Turnover

Turnover represents rental and service charge income receivable, revenue grants, and donations and legacies receivable.

Retirement Benefits

The pension costs charged in the financial statements represent the contribution payable by the organisation during the period.

Valuation Of Housing Properties

Housing Properties are stated at cost, less social housing and less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the properties at an annual rate of 2%. A prior year adjustment was made in the previous year to bring depreciation and the treatment of housing grants of the former societies in line with the accounting policy of the merged entity, as detailed in Note 24.

Depreciation And Impairment Of Other Fixed Assets

Other Fixed Assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:-

| | |
|------------------------|-------|
| Office Premises | - 2% |
| Furniture and Fittings | - 20% |
| Computer Equipment | - 33% |

The carrying value of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Social Housing Grant And Other Grants In Advance/Arrears

Where the cost of housing properties have been financed wholly or partly by Social Housing Grant or other capital grant, those costs have been reduced by the amount of the grant receivable. The amount of the grants receivable is shown separately on the Balance Sheet.

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account in the same period as the expenditure to which it relates.

Although Social Housing Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

ABBNEYFIELD SCOTLAND LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Sales Of Housing Properties

Disposals of housing property are treated as a fixed asset disposals and any gain and loss on disposal is accounted for in the Income and Expenditure Account.

Leases/Leased Assets

Costs in respect of operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their useful lives.

Works to Existing Properties

Costs of major repairs are included within the Income and Expenditure Account.

Designated Reserves

The organisation has designated part of its reserves to meet its long term obligations.

The Development Fund represents amounts set aside primarily for Abbeyfield Scotland's programme of planned maintenance and for use towards any future development work it may be involved with.

The Bridge of Allan Fund recognises that funds previously set aside by the former society is to be held specifically for the benefit of that house.

Restricted Reserves

Where legacy income is received with conditions stipulated as to how the income is to be spent, such income has been included within a restricted reserve. Expenditure satisfying the conditions imposed is set against the reserve.

Investments

Investments quoted on a recognised stock exchange are valued at market value at the year-end.

ABBNEYFIELD SCOTLAND LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

| | | 2010 | | | 2009 | | |
|------------------|-------|------------------|------------------|-------------------------------|------------------|------------------|-------------------------------|
| | Notes | Turnover | Operating Costs | Operating Surplus / (Deficit) | Turnover | Operating Costs | Operating Surplus / (Deficit) |
| | | £ | £ | £ | £ | £ | £ |
| Social Lettings | 3. | 2,088,820 | 3,455,307 | (1,366,487) | 2,167,301 | 3,144,790 | (977,489) |
| Other Activities | 4. | 743,367 | 324,436 | 418,931 | 549,599 | 516,365 | 33,234 |
| Total | | 2,832,187 | 3,779,743 | (947,556) | 2,716,900 | 3,661,155 | (944,255) |

3. PARTICULARS OF INCOME & EXPENDITURE FROM SOCIAL LETTINGS

| | Supported Housing | 2010 Total | 2009 Total |
|---|--------------------|--------------------|------------------|
| | £ | £ | £ |
| Income from Lettings | | | |
| Rent Receivable Net of Identifiable Service Charges | 1,745,349 | 1,745,349 | 1,864,502 |
| Service Charges Receivable | 824,944 | 824,944 | 752,001 |
| Gross Rents Receivable | 2,570,293 | 2,570,293 | 2,616,503 |
| Less: Rent losses from voids | 481,473 | 481,473 | 487,799 |
| Net Rents Receivable | 2,088,820 | 2,088,820 | 2,128,704 |
| Seedcorn Grant | - | - | 30,000 |
| Revenue Improvement Grant Released | - | - | 8,597 |
| Total Income From Social Letting | 2,088,820 | 2,088,820 | 2,167,301 |
| Expenditure on Social Letting Activities | | | |
| Service Costs | 1,159,584 | 1,159,584 | 1,071,970 |
| Management and maintenance administration costs | 1,832,899 | 1,832,899 | 1,771,183 |
| Reactive Maintenance | 132,336 | 132,336 | 125,736 |
| Bad Debts - Rents and Service Charges | 40,000 | 40,000 | 20,000 |
| Planned and Cyclical Maintenance, including Major Repairs | 264,329 | 264,329 | 93,157 |
| Depreciation of Social Housing | 26,159 | 26,159 | 62,744 |
| Operating Costs of Social Letting | 3,455,307 | 3,455,307 | 3,144,790 |
| Operating Deficit on Social Letting Activities | (1,366,487) | (1,366,487) | (977,489) |
| 2009 | (977,489) | (977,489) | |

Abbeyfield Scotland Limited has no General Needs or Shared Ownership housing.

ABBIEFIELD SCOTLAND LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES

| | Grants From Scottish Ministers | Other Revenue Grants | Supporting People Income | Other Income | Total Turnover | Operating Costs Bad Debts | Operating Costs Other | Operating Surplus / (Deficit) 2010 | Operating Surplus / (Deficit) 2009 |
|-----------------------------|---|----------------------------|--------------------------------|-----------------|-------------------|---------------------------------|-----------------------------|---|---|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Support Activities | - | - | 278,729 | - | 278,729 | - | 309,877 | (31,148) | (112,098) |
| Legacies and Donations | - | - | - | 464,079 | 464,079 | - | - | 464,079 | 299,777 |
| Governance Costs | - | - | - | - | - | - | 14,559 | (14,559) | (154,445) |
| Other Sundry Income | - | - | - | 559 | 559 | - | - | 559 | - |
| Total From Other Activities | - | - | 278,729 | 464,638 | 743,367 | - | 324,436 | 418,931 | 33,234 |
| 2009 | - | - | 249,822 | 299,777 | 549,599 | - | 516,365 | 33,234 | |

ABBNEYFIELD SCOTLAND LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

The Officers are defined in s74 of the Industrial and Provident Societies Act 1965 as the members of the Management Committee, managers or servants of the Association.

| | 2010 £ | 2009 £ |
|---|-----------|---------------|
| No Officer of the Association received emoluments greater than £60,000. | | |
| Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions) | <u>-</u> | <u>68,314</u> |

| | | |
|---|---------------|---------------|
| Emoluments payable to Chief Executive (excluding pension contributions) | <u>51,200</u> | <u>68,314</u> |
|---|---------------|---------------|

The number of Officers, including the highest paid Officer, who received emoluments (excluding pension contributions) over £60,000 was in the following ranges:-

| | Number | Number |
|--------------------|--------|--------|
| £60,001 to £70,000 | - | 1 |

No pension contributions were payable in respect of the Chief Executive.

6. EMPLOYEE INFORMATION

| | 2010 | 2009 |
|---|------------------|------------------|
| | No. | No. |
| The average monthly number of full time equivalent persons employed during the year was | <u>93</u> | <u>90</u> |
| The average total number of Employees employed during the year was | <u>174</u> | <u>161</u> |
| Staff Costs were: | £ | £ |
| Wages and Salaries | 1,555,401 | 1,459,680 |
| Social Security Costs | 100,822 | 83,102 |
| Other Pension Costs | 17,241 | 15,760 |
| Temporary, Agency and Seconded Staff | 286,732 | 347,099 |
| | <u>1,960,196</u> | <u>1,905,641</u> |

ABBNEYFIELD SCOTLAND LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| | | |
|----------------------------|-------------|-------------|
| 7. INTEREST PAYABLE | 2010 | 2009 |
| | £ | £ |
| On Bank Loans & Overdrafts | 462 | 709 |
| On Other Loans | - | - |
| | <u>462</u> | <u>709</u> |
| Less: Interest Capitalised | - | - |
| | <u>462</u> | <u>709</u> |

| | | |
|---|-------------|-------------|
| 8. DEFICIT ON ORDINARY ACTIVITIES | 2010 | 2009 |
| | £ | £ |
| Deficit on Ordinary Activities is stated after charging:- | | |
| Depreciation - Tangible Owned Fixed Assets | 117,380 | 174,016 |
| Auditors' Remuneration - Audit Services | 14,559 | 6,900 |
| Operating Lease Rentals - Other | - | 2,512 |

9. TAXATION

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities.

ABBEYFIELD SCOTLAND LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. TANGIBLE FIXED ASSETS

| a) Housing Properties | Housing Properties Held for Letting £ | Total £ |
|-----------------------------|---|------------|
| COST | | |
| As at 1st April 2009 | 9,503,606 | 9,503,606 |
| Additions | 62,917 | 62,917 |
| As at 31st March 2010 | 9,566,523 | 9,566,523 |
| DEPRECIATION | | |
| As at 1st April 2009 | 691,803 | 691,803 |
| Charge for Year | 26,159 | 26,159 |
| As at 31st March 2010 | 717,962 | 717,962 |
| SOCIAL HOUSING GRANT | | |
| As at 1st April 2009 | 5,844,050 | 5,844,050 |
| Additions | 62,917 | 62,917 |
| As at 31st March 2010 | 5,906,967 | 5,906,967 |
| NET BOOK VALUE | | |
| As at 31st March 2010 | 2,941,594 | 2,941,594 |
| As at 31st March 2009 | 2,967,753 | 2,967,753 |

All land and housing properties are freehold.

ABBNEYFIELD SCOTLAND LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. TANGIBLE FIXED ASSETS (Continued)

| b) Other Tangible Assets | Computer Equipment £ | Office Premises £ | Furniture & Equipment £ | Total £ |
|-------------------------------|----------------------------|-------------------------|-------------------------------|------------|
| COST | | | | |
| As at 1st April 2009 | 44,384 | 88,381 | 1,051,606 | 1,184,371 |
| Additions | - | - | 10,466 | 10,466 |
| As at 31st March 2010 | 44,384 | 88,381 | 1,062,072 | 1,194,837 |
| AGGREGATE DEPRECIATION | | | | |
| As at 1st April 2009 | 25,080 | 18,519 | 848,334 | 891,933 |
| Charge for year | 10,289 | 1,768 | 79,164 | 91,221 |
| As at 31st March 2010 | 35,369 | 20,287 | 927,498 | 983,154 |
| NET BOOK VALUE | | | | |
| As at 31st March 2010 | 9,015 | 68,094 | 134,574 | 211,683 |
| As at 31st March 2009 | 19,304 | 69,862 | 203,272 | 292,438 |

11. CAPITAL COMMITMENTS

There were no capital commitments as at 31st March 2010 and 31st March 2009.

12. COMMITMENTS UNDER OPERATING LEASES

At the year end, the annual commitments under operating leases were as follows:-

| | 2010 £ | 2009 £ |
|-------------------------------------|-----------|-----------|
| Other | | |
| Expiring within one year | - | 161 |
| Expiring between two and five years | - | 2,397 |

ABBNEYFIELD SCOTLAND LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. DEBTORS: Amounts falling due within one year

| | 2010 | 2009 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Arrears of Rent & Service Charges | 240,928 | 152,971 |
| Less: Provision for Doubtful Debts | (60,000) | (20,000) |
| | <u>180,928</u> | <u>132,971</u> |
| Social Housing Grant Receivable | 55,469 | - |
| Loans - due within one year | 19,496 | 74,496 |
| Loans - due in more than one year | 68,992 | 129,488 |
| Other Debtors - interest on loans | - | 40,517 |
| Other Debtors - General | 6,225 | 12,868 |
| | <u>331,110</u> | <u>390,340</u> |

The loans included within Debtors were originally made by the Abbeyfield Society for Scotland to member societies. The loans are repayable over periods of up to ten years.

Three loans were outstanding as at 31 March 2010, ranging in value from £13,488 to £40,000. All loans are interest free.

Loans are due to be repaid by the following non-merging societies: Ballachulish, Kirkcaldy and Perth.

14. CREDITORS: Amounts falling due within one year

| | 2010 | 2009 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Housing Loans | - | 363 |
| Trade Creditors | 247,999 | 108,231 |
| Rent in Advance | 200,884 | 106,531 |
| Other Taxation and Social Security | 30,831 | 24,203 |
| Other Creditors | 26,430 | 48,307 |
| Accruals and Deferred Income | 72,179 | 154,058 |
| | <u>578,323</u> | <u>441,693</u> |

ABBNEYFIELD SCOTLAND LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. CREDITORS: Amounts falling due after more than one year

| | 2010 | 2009 |
|---------------|------|--------|
| | £ | £ |
| Housing Loans | - | 10,009 |

Last year the organisation had one loan, secured by a specific charge on one of its properties. This was repayable against a standard variable interest rate. In November 2009, this loan was repaid and the security released.

| | 2010 | 2009 |
|---|------|--------|
| | £ | £ |
| Within one year | - | 363 |
| Between one and two years | - | 383 |
| Between two and five years | - | 1,285 |
| In five years or more | - | 8,341 |
| | - | 10,372 |
| Less: Amount shown in Current Liabilities | - | 363 |
| | - | 10,009 |

16. SHARE CAPITAL

| Shares of £1 each Issued and Fully Paid | £ |
|---|-----|
| At 1st April 2009 | 554 |
| Issued in year | 3 |
| Cancelled in year | (1) |
| At 31st March 2010 | 556 |

Each member of the organisation holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Abbeyfield Scotland Limited. Each member has a right to vote at members' meetings.

ABBEEYFIELD SCOTLAND LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. CASH FLOW STATEMENT

Reconciliation of operating surplus to net cash inflow from operating activities

| | 2010 £ | 2009 £ |
|--|------------------|------------------|
| Operating Surplus | (947,556) | (944,255) |
| Depreciation | 117,380 | 174,016 |
| Change in Stock | - | 2,676 |
| Change in Debtors | 59,014 | 71,102 |
| Change in Creditors | 136,993 | 261,105 |
| Share Capital Written Off | (1) | (311) |
| Net Cash (Outflow) from Operating Activities | <u>(634,170)</u> | <u>(435,667)</u> |

Reconciliation of net cash flow to movement in net debt

| | 2010 £ | £ | 2009 £ | £ |
|---|---------------|------------------|------------|------------------|
| (Decrease) in Cash | (755,463) | | 499,926 | |
| Cash flow from management of liquid resources | 102,704 | | (890,127) | |
| Cash flow from change in debt | <u>10,372</u> | | <u>313</u> | |
| Movement in net debt during year | | (642,387) | | (389,888) |
| Net debt at 1st April 2009 | | <u>3,210,408</u> | | <u>3,600,296</u> |
| Net debt at 31st March 2010 | | <u>2,568,021</u> | | <u>3,210,408</u> |

Analysis of changes in net debt

| | At 01.04.09 £ | Cash Flows £ | Other Changes £ | At 31.03.10 £ |
|------------------------------|---------------------|--------------------|-----------------------|---------------------|
| Cash at bank and in hand | <u>1,821,764</u> | <u>(755,463)</u> | | <u>1,066,301</u> |
| | 1,821,764 | (755,463) | | 1,066,301 |
| Liquid Resources | <u>1,399,016</u> | <u>(102,704)</u> | | <u>1,501,720</u> |
| Debt: Due within one year | (363) | 363 | | - |
| Due after more than one year | <u>(10,009)</u> | <u>10,009</u> | | <u>-</u> |
| Net Debt | <u>3,210,408</u> | <u>(847,795)</u> | <u>-</u> | <u>2,568,021</u> |

ABBNEYFIELD SCOTLAND LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18: RESERVES:

(a) Designated Reserves

| | Opening Balance | Transfer (to)/from Revenue Reserve | Total |
|----------------------|--------------------|---|------------------|
| | £ | £ | £ |
| Bridge of Allan Fund | 10,000 | 37 | 10,037 |
| Development Fund | 2,636,894 | - | 2,636,894 |
| Fraserburgh Fund | - | 282,324 | 282,324 |
| At 31st March 2010 | <u>2,646,894</u> | <u>282,361</u> | <u>2,929,255</u> |

(b) Revenue Reserves

| | Total £ |
|--|------------------|
| Development Fund | 3,749,199 |
| Surplus for the Year | (794,103) |
| Transfer (to) / from Designated Reserves | (282,361) |
| At 31st March 2010 | <u>2,672,735</u> |

(c) Restricted Reserves

| | Opening Balance | Transfer (to)/from Revenue Reserve | Total |
|--------------------|--------------------|---|----------------|
| | £ | £ | £ |
| Fairfield Fund | 1,477 | - | 1,477 |
| Forres Fund | 312,546 | - | 312,546 |
| Awards for All | 3,310 | - | 3,310 |
| Highland Fund | 11,749 | - | 11,749 |
| Airdrie Fund | 100 | - | 100 |
| At 31st March 2010 | <u>329,182</u> | <u>-</u> | <u>329,182</u> |

The Fairfield Fund was established in 2004, from a legacy received from the late Mrs Janice Smith. The funds are to be used for the benefit of Fairfield House.

The Forres Fund was established with proceeds received following the dissolution of the Abbeyfield Forres and District Society Limited. These funds are to be used for the benefit of local Abbeyfield Houses.

The Awards for All fund has been brought forward from the former Abbeyfield Dalkeith Society.

The Highland Fund was established in 2008/09 following the closure of the Abbeyfield Nethybridge Society. The money was left to the Association on the condition that it be used to benefit those houses remaining in the Highland region.

ABBEYFIELD SCOTLAND LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. RESERVES (Continued)

The Airdrie Fund was established in 2008/09 following a receipt from a JW Dyer to be used for the upkeep of the gardens at the Airdrie House.

(d) Revaluation Reserves

| | Opening Balance | Transfer (to)/from Revenue Reserve | Total |
|------------------------|--------------------|---|----------------|
| | £ | £ | £ |
| Investment Revaluation | 12,533 | - | 12,533 |
| Property Revaluation | 101,135 | - | 101,135 |
| | <u>113,668</u> | <u>-</u> | <u>113,668</u> |

19. HOUSING STOCK

| The number of units of accommodation in management at the year end was:- | 2010 No. | 2009 No. |
|---|-------------|-------------|
| Supported Housing | <u>267</u> | <u>276</u> |
| | <u>267</u> | <u>276</u> |

20. RELATED PARTY TRANSACTIONS

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 8.

There were no transactions between the organisation and its related parties during the period other than reimbursement of travel expenses to meetings.

ABBNEYFIELD SCOTLAND LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. FIXED ASSET INVESTMENTS

| | 2010 £ | 2009 £ |
|-----------------------------------|----------------|----------------|
| Open market value at 1 April 2009 | 419,888 | 552,594 |
| Additions at cost | 59,644 | - |
| Unrealised gain/(loss) | 111,779 | (128,706) |
| Disposals | (20,000) | (4,000) |
| | <u>571,311</u> | <u>419,888</u> |

The investments of the Association comprise a mixture of direct equities, gilts and a number of small managed funds. The investments have been disclosed as fixed assets in the balance sheet as it is the intention of the management committee only to sell the investments when market conditions dictate.

The historic cost of the investments held at 31st March 2010 was £576,208 (2009: £536,564).

22. CURRENT ASSET INVESTMENTS

| | 2010 £ | 2009 £ |
|---------------------|------------------|------------------|
| Short Term Deposits | <u>1,501,720</u> | <u>1,399,016</u> |

23. PRIOR PERIOD ADJUSTMENT

A prior year adjustment was required in the previous year as a result of the merger between Abbeyfield Scotland Limited and the independent Abbeyfield Societies on 1 April 2008. Adjustments were made to bring the accounting policies of the merging entities in line with regards to depreciation and housing association grant, and to eliminate debtor and creditor balances between merging entities. These adjustments resulted in an overall reduction in Reserves brought forward at 1st April 2008 of £249,428.

24. PENSION COSTS

Abbeyfield Scotland Limited operates a defined contribution scheme in respect of the staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the organisation and amounted to £ 17,241 (2009: £15,760).