

**Abbeyfield Scotland Limited**  
**Report and Financial Statements**  
**For the year ended 31st March 2011**

**Registered Housing Association No. HAL20**

**FSA Reference No. 1883R(S)**

**Scottish Charity No. SC012549**

# **ABBNEYFIELD SCOTLAND LIMITED**

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**ABBNEYFIELD SCOTLAND LIMITED**

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**MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS  
YEAR ENDED 31st MARCH 2011**

**MANAGEMENT COMMITTEE**

Michael White	Chairperson
James G Craigie	Secretary
John Robertson	
Martyn Rendle	
Nance Smith	(Resigned February 2011)
David J Belfall	
Elizabeth Miller	(Resigned September 2010)
John Early	(Resigned September 2010)
John Costigan	
Peter Furniss	
Charles Armstrong	(From September 2010)
David Ritchie	(From September 2010)

**EXECUTIVE OFFICERS**

Sandra Smith	Interim Manager
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**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**

T C Young, Solicitors  
7 West George Street  
Glasgow  
G2 1BA

**FINANCE AGENTS**

FMD Financial Services  
29 Ladyloan Place  
Glasgow  
G15 8LB

## **ABBNEYFIELD SCOTLAND LIMITED**

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### **REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2011**

The Management Committee presents its report and the Financial Statements for the year ended 31st March 2011.

#### **Legal Status**

Abbeyfield Scotland Limited is a Registered Social Landlord and is as a registered non-profit making organisation under the Industrial and Provident Societies Act 1965 No.1883R(S). Abbeyfield Scotland Limited 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 and management of affordable rented accommodation and the provision of care and support services for lonely or frail elderly people.

#### **Review of Business and Future Developments**

Two major areas of work during the year were improving services to tenants and residents and planning for the future.

Information for tenants was enhanced through two new publications, a Tenants Handbook and Housing Support brochure. A review of the delivery of housing support services resulted in the introduction of dedicated housing support staff in the North of Scotland on a pilot basis.

Volunteers continued to play a vital role in the model of service delivery with impressive programmes of social activities and events at several houses. The rule change to allow Friends of Abbeyfield groups to become formal sub-committees was implemented and several groups had this status conferred.

Health and Safety continued to be a priority with Houses in Multiple Occupancy licences renewed, fire risk assessments carried out, and testing of gas, electricity and water supplies completed.

Properties were maintained and improved through the implementation of cyclical and planned programmes of work. Grant funding from Scottish Government allowed adaptations to be carried out to assist tenants with mobility and other problems.

The review of gas and electricity supplies began to produce savings. Internal efficiency was improved through the rationalisation of finance systems and good progress was made with reconciling rent and service charge accounts resulting in a much reduced provision for bad debts.

The review of the Business Plan continued throughout the year. Key drivers were the challenges of the ongoing high level of voids, the projected costs of maintaining and improving the properties in the long term, and high overhead costs. The Board concluded there will have to be a higher number of closures at an earlier date than previously anticipated. The house at Banff was closed during the year.

**ABBNEYFIELD SCOTLAND LIMITED**

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**REPORT OF THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31ST MARCH 2011**

**Review of Business and Future Developments (Contd.)**

Business growth and development were progressed with plans for the re-development of the house at Rosemarkie in Black Isle taken to an advanced stage and initial concept plans for two other houses prepared. A Transfer of Engagements from Abbeyfield Torphins was approved in principle and will be completed during 2011/12.

Discussions were initiated with The Abbeyfield Society and its Scottish Regional Council about options for working in partnership and a joint consultancy report was commissioned.

The Board determined that a permanent full time chief executive was needed to lead the organisation and after interviews Niall Patterson, Chief Executive of West Lothian Housing Partnership, was appointed in July 2011.

Nine board meetings took place and the two Committees, Finance and Staffing and Housing Operations, met quarterly.

## **ABBNEYFIELD SCOTLAND LIMITED**

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### **REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2011**

#### **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 Association's 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 Association and of the surplus or deficit of the Association 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 Association 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 Association and to enable them to ensure that the Financial Statements comply 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. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association'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 Housing Association's auditors in connection with preparing their report) of which the Association'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 Housing Association's auditors are aware of that information.

## ABBEYFIELD SCOTLAND LIMITED

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### REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2011

#### Statement on Internal Financial Control

The Management Committee acknowledges its ultimate responsibility for ensuring that the Association 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 Association, 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 Association'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 Association'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 and internal 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 Association 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 £Nil (2010 £2,100).

#### 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

17th August 2011

**ABBNEYFIELD SCOTLAND LIMITED**

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**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 Association'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 Association'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 Association, and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association'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  
17th August 2011



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEYFIELD SCOTLAND LIMITED**

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We have audited the financial statements of Abbeyfield Scotland Limited for the year ended 31st March 2011 which comprise an income and expenditure account, balance sheet, cash flow statement and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Association'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 Association'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 the Association and the Association's 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 the Association'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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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 Association 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 the Association 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 Association'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 on the financial statements**

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 the Association's affairs as at 31st March 2011 and of its income and expenditure and cash flow 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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
ABBNEYFIELD SCOTLAND LIMITED**

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We are required to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of Management Committee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



**ALEXANDER SLOAN**  
Chartered Accountants  
Statutory Auditors  
GLASGOW  
17th August 2011

# ABBNEYFIELD SCOTLAND LIMITED

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

	Notes	£	2011 £	£	2010 £
TURNOVER	2.		2,645,794		2,832,187
Operating Costs	2.		(3,632,333)		(3,779,743)
OPERATING DEFICIT	8.		(986,539)		(947,556)
Impairment of Investments	19.	30,510		111,779	
Interest Receivable and Other Income		32,544		42,136	
Interest Payable and Similar Charges	7.	-		(462)	
			63,054		153,453
DEFICIT ON ORDINARY ACTIVITIES			(923,485)		(794,103)

All amounts relate to continuing activities. All recognised surpluses and deficits have been included in the Income & Expenditure Account. Historical cost surpluses and deficits are identical to those shown in the accounts.

# ABBEYFIELD SCOTLAND LIMITED

## BALANCE SHEET AS AT 31st MARCH 2011

	Notes	£	2011 £	£	2010 £
<b>TANGIBLE FIXED ASSETS</b>					
Housing Properties - Depreciated Cost	10(a)		8,881,493		8,848,561
Less: Social Housing Grant	10(a)		(6,002,271)		(5,906,967)
			2,879,222		2,941,594
Other fixed assets	10(b)		140,510		211,683
			3,019,732		3,153,277
<b>FIXED ASSET INVESTMENTS</b>					
	19.		584,142		571,311
<b>CURRENT ASSETS</b>					
Debtors - due within than one year	12.	289,799		262,118	
Debtors - due in more than one year	12.	40,000		68,992	
Investments	20.	1,505,913		1,501,720	
Cash at bank and in hand		195,730		1,066,301	
			2,031,442	2,899,131	
<b>CREDITORS: Amounts falling due within one year</b>					
	13.	(513,569)		(578,323)	
<b>NET CURRENT ASSETS</b>					
			1,517,873		2,320,808
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			5,121,747		6,045,396
<b>NET ASSETS</b>					
			5,121,747		6,045,396
<b>CAPITAL AND RESERVES</b>					
Share Capital	15.		392		556
Designated Reserves	16.(a)		2,575,495		2,929,255
Revenue Reserves	16.(b)		2,103,010		2,672,735
Restricted Reserves	16.(c)		329,182		329,182
Revaluation Reserves	16.(d)		113,668		113,668
			5,121,747		6,045,396

The Financial Statements were approved by the Management Committee and signed on their behalf on 17th August 2011.

*Michael White*  
Chairperson

*PARD...*  
Committee Member

*James G. Craigie*  
Secretary

# **ABBNEYFIELD SCOTLAND LIMITED**

## **CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011**

	Notes	£	2011 £	£	2010 £
<b>Net Cash Outflow from Operating Activities</b>	14.		(952,918)		(634,170)
<b>Returns on Investment and Servicing of Finance</b>					
Interest Received		32,544		97,821	
Interest Paid		-		(462)	
<b>Net Cash Inflow from Investment and Servicing of Finance</b>			32,544		97,359
<b>Capital Expenditure and Financial Investment</b>					
Acquisition and Construction of Properties		(95,304)		(62,917)	
Purchase of Other Fixed Assets		(4,036)		(10,466)	
Social Housing Grant Received		135,645		7,448	
Purchase of Fixed Asset Investments		-		(59,644)	
Disposal of Fixed Asset Investments		17,679		20,000	
<b>Net Cash Inflow / (Outflow) from Capital Expenditure and Financial Investment</b>			53,984		(105,579)
<b>Net Cash Outflow before use of Liquid Resources and Financing</b>			(866,390)		(642,390)
<b>Management of Liquid Resources</b>					
Change in short term deposits with banks			(4,193)		(102,704)
<b>Financing</b>					
Loan Principal Repayments		-		(10,372)	
Share Capital Issued		12		3	
<b>Net Cash Inflow / (Outflow) from Financing</b>			12		(10,369)
<b>Decrease in Cash</b>	14.		(870,571)		(755,463)

# ABBNEYFIELD SCOTLAND LIMITED

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## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

### 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 other public grants 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%. Land is not depreciated. Housing Properties are reviewed for impairment if events or circumstances indicate that the carrying value is higher than the recoverable amount.

##### **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%
Office 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 developments have been financed wholly or partly by Social Housing Grant or other capital grant, the cost of those developments has 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**

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### **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011**

#### **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 disposal 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**

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

###### **Designated Reserves**

The Association 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.

The Fraserburgh Fund represents amounts that are to be spent on properties north of Stonehaven.

## **ABBNEYFIELD SCOTLAND LIMITED**

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### **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011**

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

##### **1 PRINCIPAL ACCOUNTING POLICIES (Continued.)**

###### **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 2011

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Notes	2011			2010		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Social Lettings	3.	2,089,050	3,314,128	(1,225,078)	2,088,820	3,455,307	(1,366,487)
Other Activities	4.	556,744	318,205	238,539	743,367	324,436	418,931
<b>Total</b>		<b>2,645,794</b>	<b>3,632,333</b>	<b>(986,539)</b>	<b>2,832,187</b>	<b>3,779,743</b>	<b>(947,556)</b>

#### 3. PARTICULARS OF INCOME & EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing £	Supported Housing £	Shared ownership £	2011 Total £	2010 Total £
<b>Income from Lettings</b>					
Rent Receivable Net of Identifiable Service Charges	-	1,733,419	-	1,733,419	1,745,349
Service Charges Receivable	-	913,504	-	913,504	824,944
<b>Gross Rents Receivable</b>	-	<b>2,646,923</b>	-	<b>2,646,923</b>	<b>2,570,293</b>
Less: Rent losses from voids	-	557,873	-	557,873	481,473
<b>Net Rents Receivable</b>	-	<b>2,089,050</b>	-	<b>2,089,050</b>	<b>2,088,820</b>
Revenue Grants from Scottish Ministers	-	-	-	-	-
Revenue Grants From Local Authorities and Other Agencies	-	-	-	-	-
<b>Total Income From Social Letting</b>	-	<b>2,089,050</b>	-	<b>2,089,050</b>	<b>2,088,820</b>
<b>Expenditure on Social Letting Activities</b>					
Service Costs	-	1,191,887	-	1,191,887	1,159,584
Management and maintenance administration costs	-	1,602,399	-	1,602,399	1,832,899
Reactive Maintenance	-	113,659	-	113,659	132,336
Bad Debts - Rents and Service Charges	-	(10,000)	-	(10,000)	40,000
Planned and Cyclical Maintenance, including Major Repairs	-	353,811	-	353,811	264,329
Depreciation of Social Housing	-	62,372	-	62,372	26,159
Impairment of Housing	-	-	-	-	-
<b>Operating Costs of Social Letting</b>	-	<b>3,314,128</b>	-	<b>3,314,128</b>	<b>3,455,307</b>
<b>Operating Deficit on Social Letting Activities</b>	-	<b>(1,225,078)</b>	-	<b>(1,225,078)</b>	<b>(1,366,487)</b>
<b>2010</b>	-	<b>(1,366,487)</b>	-		

# ABBEYFIELD SCOTLAND LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

### 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		Operating Costs Other		Operating Surplus / (Deficit) 2011		Operating Surplus / (Deficit) 2010	
			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Support Activities	-	-	-	-	381,037	-	-	-	381,037	-	-	-	310,650	-	70,387	(31,148)		
Legacies and Donations	-	-	-	-	-	162,373	-	-	162,373	-	-	-	-	-	162,373	464,079		
Governance Costs	-	-	-	-	-	-	-	-	-	-	-	-	7,555	-	(7,555)	(14,559)		
Other Sundry Activities	-	-	-	-	-	-	13,334	-	13,334	13,334	-	-	-	-	13,334	559		
Total From Other Activities	-	-	-	-	381,037	175,707	-	-	556,744	-	-	-	318,205	-	238,539	418,931		
2010	-	-	-	-	278,729	464,638	-	-	743,367	-	-	-	324,436	-	418,931			

## ABBNEYFIELD SCOTLAND LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

#### 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.	2011 £	2010 £
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No Officer of the Association received emoluments greater than £60,000.

Emoluments payable to Chief Executive (excluding pension contributions)	48,860	51,200
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##### 6. EMPLOYEE INFORMATION

	2011	2010
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	92	93
The average total number of Employees employed during the year was	179	174
Staff Costs were:	£	£
Wages and Salaries	1,639,527	1,555,401
Social Security Costs	111,211	100,822
Other Pension Costs	17,697	17,241
Temporary, Agency and Seconded Staff	70,372	286,732
	1,838,807	1,960,196

## ABBNEYFIELD SCOTLAND LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

#### NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. INTEREST PAYABLE		
	2011	2010
	£	£
On Bank Loans & Overdrafts	-	462
On Other Loans	-	-
	-	462
Less: Interest Capitalised	-	-
	-	462

8. DEFICIT ON ORDINARY ACTIVITIES		
	2011	2010
	£	£
Deficit on Ordinary Activities before Taxation is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	137,581	117,380
Auditors' Remuneration - Audit Services	7,501	14,559

#### 9. TAX ON DEFICIT ON ORDINARY ACTIVITIES

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

# ABBNEYFIELD SCOTLAND LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 10 TANGIBLE FIXED ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Total £
<b>COST</b>		
As at 1st April 2010	9,566,523	9,566,523
Additions	95,304	95,304
As at 31st March 2011	9,661,827	9,661,827
<b>DEPRECIATION</b>		
As at 1st April 2010	717,962	717,962
Charge for Year	62,372	62,372
As at 31st March 2011	780,334	780,334
<b>SOCIAL HOUSING GRANT</b>		
As at 1st April 2010	5,906,967	5,906,967
Additions	95,304	95,304
As at 31st March 2011	6,002,271	6,002,271
<b>NET BOOK VALUE</b>		
As at 31st March 2011	2,879,222	2,879,222
As at 31st March 2010	2,941,594	2,941,594

Additions to housing properties includes capitalised development administration costs of £nil (2010 - £nil) and capitalised major repair costs to existing properties of £nil (2010 - £nil)

All land and housing properties are freehold.

**ABBEEFIELD SCOTLAND LIMITED****FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011****NOTES TO THE FINANCIAL STATEMENTS (Continued)****10. TANGIBLE FIXED ASSETS (Continued)**

b) Other Tangible Assets	Computer Equipment £	Office Premises £	Furniture & Equipment £	Total £
<b>COST</b>				
As at 1st April 2010	44,384	88,381	1,062,072	1,194,837
Additions	2,397	-	1,639	4,036
Eliminated on Disposals	-	-	(161)	(161)
As at 31st March 2011	46,781	88,381	1,063,550	1,198,712
<b>AGGREGATE DEPRECIATION</b>				
As at 1st April 2010	35,369	20,287	927,498	983,154
Charge for year	9,814	1,768	63,627	75,209
Eliminated on disposal	-	-	(161)	(161)
As at 31st March 2011	45,183	22,055	990,964	1,058,202
<b>NET BOOK VALUE</b>				
As at 31st March 2011	1,598	66,326	72,586	140,510
As at 31st March 2010	9,015	68,094	134,574	211,683

**11. CAPITAL COMMITMENTS**

There were no capital commitments as at 31st March 2011 and 31st March 2010.

## ABBNEYFIELD SCOTLAND LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

#### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 12. DEBTORS

	2011 £	2010 £
Arrears of Rent & Service Charges	75,699	240,928
Less: Provision for Doubtful Debts	(50,000)	(60,000)
	<u>25,699</u>	<u>180,928</u>
Social Housing Grant Receivable	15,128	55,469
Loans - due within one year	29,496	19,496
Loans - due in more than one year	40,000	68,992
Other Debtors - general	<u>219,476</u>	<u>6,225</u>
	<u>329,799</u>	<u>331,110</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 2011, ranging in value from £4,496 to £35,000. All loans are interest free.

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

#### 13. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Trade Creditors	303,432	247,999
Rent in Advance	39,650	200,884
Other Taxation and Social Security	31,771	30,831
Other Creditors	41,881	26,430
Accruals and Deferred Income	<u>96,835</u>	<u>72,179</u>
	<u>513,569</u>	<u>578,323</u>

# ABBEEFIELD SCOTLAND LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 14. CASH FLOW STATEMENT

<i>Reconciliation of operating deficit to net cash outflow from operating activities</i>	2011 £	2010 £
Operating Deficit	(986,539)	(947,556)
Depreciation	137,581	117,380
Change in Debtors	(39,030)	59,014
Change in Creditors	(64,754)	136,993
Share Capital Written Off	(176)	(1)
Net Cash Outflow from Operating Activities	<u>(952,918)</u>	<u>(634,170)</u>

<i>Reconciliation of net cash flow to movement in net debt</i>	2011 £	£	2010 £	£
Decrease in Cash	(870,571)		(755,463)	
Cash flow from management of liquid resources	4,193		102,704	
Cash flow from change in debt	-		10,372	
Movement in net debt during year		(866,378)		(642,387)
Net debt at 1st April 2010		2,568,021		3,210,408
Net debt at 31st March 2011		<u>1,701,643</u>		<u>2,568,021</u>

<i>Analysis of changes in net debt</i>	At 01.04.10 £	Cash Flows £	Other Changes £	At 31.03.11 £
Cash at bank and in hand	1,066,301	(870,571)		195,730
Liquid Resources	1,066,301	(870,571)		195,730
	1,501,720	4,193		1,505,913
Net Debt	<u>2,568,021</u>	<u>(866,378)</u>	<u>-</u>	<u>1,701,643</u>

#### 15. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2010	556
Issued in year	12
Cancelled in year	(176)
At 31st March 2011	<u>392</u>

Each member of the Association 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 Association. Each member has a right to vote at members' meetings.



# **ABBNEYFIELD SCOTLAND LIMITED**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011**

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

#### **16. RESERVES**

##### **(a) Designated Reserves**

	Opening Balance	Transfer (to)/from Revenue Reserve	Total
	£	£	£
Bridge of Allan Fund	10,037	51	10,088
Development Fund	2,636,894	(353,811)	2,283,083
Fraserburgh Fund	282,324	-	282,324
At 31st March 2011	2,929,255	(353,760)	2,575,495

##### **(b) Revenue Reserves**

	Total £
At 1st April 2010	2,672,735
Deficit for the year	(923,485)
Transfer (to) / from Designated Reserves	353,760
At 31st March 2011	2,103,010

##### **(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 2011	329,182	-	329,182

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.

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.

# **ABBNEYFIELD SCOTLAND LIMITED**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011**

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

#### **16. RESERVES (continued)**

##### **(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>

#### **17. HOUSING STOCK**

The number of units of accommodation in management at the year end was:-	2011 No.
Supported Housing	262
	<u>262</u>

#### **18. 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.

#### **19. FIXED ASSET INVESTMENT**

	2011 £	2010 £
Open market value at 1st April 2010	571,311	419,888
Additions at cost	-	59,644
Unrealised gain/(loss)	30,510	111,779
Disposals	(17,679)	(20,000)
	<u>584,142</u>	<u>571,311</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 31 March 2011 was £510,858 (2010: £576,208).

## ABBNEYFIELD SCOTLAND LIMITED

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 20. CURRENT ASSET INVESTMENTS

	2011	2010
	£	£
Short Term Deposits	1,505,913	1,501,720

### 21. 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 £17,697 (2010: £17,241 ).