

**THE AGED CHRISTIAN FRIEND  
SOCIETY OF SCOTLAND**

**DIRECTORS' ANNUAL REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**Charity Number: SC016247  
Company Registration No: SC238297**

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# **The Aged Christian Friend Society of Scotland**

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## **The Aged Christian Friend Society of Scotland**

### **Directors' Annual Report For the year ended 31 December 2012**

#### **Reference and Administration Information**

|  |   |
|--|---|
| Company Registration no:                         | SC238297  |
| Scottish Charity Number                          | SC016247  |
| Registered Office, Secretaries<br>and Treasurers | Johnston Smillie Ltd<br>Chartered Accountants<br>2 Roseburn Terrace<br>Edinburgh<br>EH12 6AW  |
| Directors  | Mr Alan J Black (Chairman)<br>Rev Rolf Billes (Vice-Chairman)<br>Mrs Mary S N Dale<br>Mrs Merle M Copland (resigned 23.01.13)<br>Mrs Margaret C Hall<br>Mr Peter J Hastie |
| Auditor  | Scott-Moncrieff<br>Chartered Accountants<br>Exchange Place 3<br>Sempie Street<br>Edinburgh<br>EH3 8BL   |
| Bankers  | The Royal Bank of Scotland plc<br>36 St Andrew Square<br>Edinburgh<br>EH2 2YB   |
| Solicitors                                       | Balfour + Manson<br>54-66 Frederick Street<br>Edinburgh<br>EH2 1LS  |
| Investment Advisors                              | Rathbone Investment Management Ltd<br>28 St Andrew Square<br>Edinburgh<br>EH2 1AF   |

## **The Aged Christian Friend Society of Scotland**

### **Directors' Annual Report (cont'd) For the year ended 31 December 2012**

#### **Structure, Governance and Management**

##### **Incorporation of the Society**

The company 'The Aged Christian Friend Society of Scotland', founded as a Friendly Society on 20 December 1889 was incorporated and registered on 17 October 2002 as a Private Company Limited by Guarantee (Registration No. SC238297). On 1 January 2003 all the assets and liabilities of the original Friendly Society were transferred to the new company (hereinafter referred to as "the Society"). The Society's governing documents are the Memorandum and Articles of Association.

##### **Directors' meetings and appointment**

New directors are appointed by the existing directors, and are briefed on the Society's aims, objectives, grant making policy and purposes.

At the quarterly directors' meeting, the directors agree the broad strategy and areas of activity for the Society, including budgets, consideration of grant making, investment, reserves and risk management policies and performance. Reports are received from the Manager (not a formal director) of the Cottage Homes regarding the well being of the current residents, and from the "Property Manager" regarding the fabric of the buildings.

At the AGM on 8 August 2012, Peter Hastie and Revd Rolf Billes, having retired by rotation, were re-elected.

There is also a Finance Committee which again reports to the Board of Directors and considers all financial, including investment, matters.

The Society confirms that it has a directors and officers indemnity insurance in place.

##### **Risk Policy**

The directors have assessed the risks to which the Society is exposed, in particular those related to the operations and future of the Society, and are satisfied that systems are in place to mitigate exposure to major risks. The directors consider variability of investment returns as one of the major risks, and therefore the Society used the services of Rathbone Investment Management during the year as investment advisers. The investment policy is designed to produce growth in both capital and income with a medium risk profile.

##### **Objectives and Activities**

The Society's objects are of a charitable nature beneficial to the community in relieving the needs of the elderly by supporting men and women who are resident in Scotland and are 65 years of age and over through the provision of sheltered accommodation and other facilities for the care of, and the payment of annual pensions, to such individuals. The Society provides a small number of pensions in both Edinburgh and Glasgow, but its principal activity is the provision of sheltered housing at the Colinton Cottage Homes, Colinton, Edinburgh. The day to day management of Cottage Homes is carried out by the Manager who reports to the Board of Directors.

##### **Grant Making Policy**

Grants are given in the form of pensions. These are distributed quarterly or half-yearly to long-standing pensioners. During the year, the directors decided to appoint Elizabeth Finn Care to identify a further 8 individuals who are resident in Scotland and who are aged over 65. They are to be paid the sum of £250 per annum each.

Grants to long-standing pensioners continued to be paid at the rate of £220 per annum. At 31<sup>st</sup> December 2012 there were 2 (2011:3) pensioners remaining. An additional 3 pensioners were identified by Elizabeth Finn Care during the year and they received half-yearly payments of £125 each.

## **The Aged Christian Friend Society of Scotland**

### **Directors' Annual Report (cont'd) For the year ended 31 December 2012**

#### **Achievements and Performance**

This has been another busy year for the Society and the directors thank our staff for the hard work and commitment they have shown in the running of the Cottage Homes during 2012. They all play an important role in ensuring that our tenants enjoy living at the cottage homes and, when there have been problems, they have dealt with them efficiently and with consideration for our tenants.

As usual, there have been a large number of social events during the year. In addition to the regular weekly activities, there was a Burns Party in January, a Bring and Buy Sale in April and a Strawberry Tea in July. In the second half of the year, there was an outing to the Falkirk Wheel in August, a Halloween Party in November and a Christmas Lunch in December. There was also an enjoyable show given by pupils from George Watson College in June and, from October, boys from Merchiston Castle School have joined residents in the hall for a variety of activities one afternoon every two weeks. As part of our commitment to tenant participation in the affairs of the cottage homes, the tenants were invited to our AGM and a question and answer session followed this meeting. Thanks are due to our staff and all those who participated in or helped to organise such a variety of events.

To further the Society's charitable activities outwith the cottage homes, the Board took the decision in 2012 to expand the number of 'pensions' that can be paid out each year to those in need who live in Scotland and who are aged 65 years or over. In September, Elizabeth Finn Trading Company, a wholly owned subsidiary of the national charity, Elizabeth Finn Care, were appointed to seek out a further eight individuals who would meet our eligibility criteria and benefit from receiving some additional money to help make ends meet. Good progress has been made since the year end in identifying appropriate individuals.

Turning to the financial situation, total Incoming resources fell from £310,469 in 2011 to £238,721 in 2012. However the 2011 figures were distorted by a one-off donation of £91,609 and, when donations are stripped out of the calculation, there was an underlying increase in rents and investment income of 8.6% over the year. However, this was another year of heavy expenditure with a number of cottages being upgraded. As a result, the cost of property upkeep and repairs and cleaning rose from £128,591 to £148,132 in 2012. As shown in the Income and Expenditure Account, a deficit of £84,712 (2011: surplus £12,448) was recorded for the year.

The Board believes that the recent expenditure on upgrading and modernisation is necessary if the Society is to continue to provide a high standard of accommodation for our tenants. While the balance sheet at 31 December 2012 remains in a healthy position, the financial situation will be closely monitored by the Board and every effort will be made to increase revenues in a fair and sustainable manner while an increasing emphasis will also be placed on controlling costs. Despite the expenditure seen over the last twelve months, it is encouraging to report that the market value of the Society's investments rose from £1,091,799 to £1,163,975. We are grateful to Rathbone Investment Management Ltd for their continued good management of the portfolio during the period.

Throughout the year, the day to day Secretarial and Treasury duties are carried out by Johnston Smillie Ltd and the directors record their appreciation of their work on behalf of the Society. Finally, thanks go to the two local churches, Colinton Parish Church and St Cuthbert's Episcopal Church, for their continued support and especially to the Church of Scotland for the two communion services carried out in our hall.

## **The Aged Christian Friend Society of Scotland**

### **Directors' Annual Report (cont'd) For the year ended 31 December 2012**

#### **Financial Review**

The Society had an operating deficit of £84,712 for the year (2011: £12,448 surplus), as shown in the Income and Expenditure account, after accounting for a realised gain on the disposal of quoted investments of £5,034 (2011: £3,883) and donations received of £930 (2011: £91,609). Donations in 2011 included a gift of 43,968 ordinary £1 shares in Edinburgh Crematorium Ltd received from the Gordon Small Charitable Trust.

The market value of the investments at the year-end was £1,163,975 (2011: £1,091,799). Cash with the stockbroker (included in debtors) reduced from £120,732 to £15,432 as a result of the planned spending on renovation of vacant cottages.

The funds are all unrestricted and they showed a fall from £6,059,501 to £6,024,187 as a result of the above improvements to cottages.

#### **Reserves Policy**

It is the policy of the Society to maintain unrestricted funds at a level sufficient to cover management, administration and support costs.

The Society has sufficient liquid funds to allow it to meet its contractual obligations as well as its ongoing activities.

#### **Auditors**

The directors will place a resolution before the Annual General Meeting to re-appoint Scott-Moncrieff CA as auditors for the ensuing year.

#### **Share Capital**

The Society is a private company limited by guarantee and is without share capital.

#### **Future Plans**

The Society plans to continue to provide sheltered housing and pensions in line with its objectives. There is an ongoing plan to continue to upgrade and maintain the houses to the existing high standard.

#### **Disclosure of Information to Auditor**

As far as each of the directors at the time of the report is approved are aware:

- There is no relevant information of which the Society's auditor is unaware and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

## **The Aged Christian Friend Society of Scotland**

### **Directors' Annual Report (cont'd) For the year ended 31 December 2012**

#### **Statement of Directors' Responsibilities**

The directors (who are also trustees for the purposes of charity law) are responsible for preparing the Directors' Annual 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the incoming resources and application of resources, including the income and expenditure of the Society for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP'
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 Society will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Memorandum and Articles of Association of the company. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention of fraud and other irregularities.

Approved by the board on 14/08/13  
And signed on behalf of the board by



Alan J Black  
Chairman

## **The Aged Christian Friend Society of Scotland**

### **Independent Auditor's Report to the Members and Directors For the year ended 31 December 2012**

We have audited the financial statements of The Aged Christian Friend Society of Scotland for the year ended 31 December 2012 which comprise the Income and Expenditure Account, Statement of Financial Activities, Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made exclusively to the members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's trustees 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 its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard – Provisions Available for Smaller Entities (Revised)".

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



## **The Aged Christian Friend Society of Scotland**

### **Independent Auditor's Report to the Members and Directors (cont'd) For the year ended 31 December 2012**

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Michael Harkness*

**Michael Harkness, Senior Statutory Auditor  
For and on behalf of Scott-Moncrieff, Statutory Auditor  
Chartered Accountants  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL**

*14 August* 2013

# The Aged Christian Friend Society of Scotland

## Income and Expenditure Account For the year ended 31 December 2012

|                                       | Note | £ | 2012<br>£       | £ | 2011<br>£      |
|---------------------------------------|------|---|-----------------|---|----------------|
| <b>Income</b>                         |      |   |                 |   |                |
| Donations                             | 4    |   | 930             |   | 91,609         |
| Rents from land and buildings         |      |   | 192,835         |   | 174,078        |
| Interest and dividends                |      |   | 44,956          |   | 44,782         |
| Realised gains on investments         |      |   | 5,034           |   | 3,883          |
|                                       |      |   | <u>243,755</u>  |   | <u>314,352</u> |
| <b>Expenditure</b>                    |      |   |                 |   |                |
| Investment management costs           |      |   | 7,968           |   | 7,088          |
| Pensions                              | 3    |   | 1,035           |   | 660            |
| Cottage Home costs                    | 5    |   | 280,474         |   | 258,753        |
| Management and administration         | 6    |   | 35,715          |   | 31,503         |
| Auditor's remuneration                | 7    |   | 3,275           |   | 3,900          |
|                                       |      |   | <u>328,467</u>  |   | <u>301,904</u> |
| <b>(Deficit)/Surplus for the year</b> |      |   | <u>(84,712)</u> |   | <u>12,448</u>  |

The notes on pages 11 to 17 form part of these financial statements

# The Aged Christian Friend Society of Scotland

## Statement of Financial Activities For the year ended 31 December 2012

|  | Note | 2012<br>£        | 2011<br>£        |
|--|------|------------------|------------------|
| <b>Incoming Resources</b>                                |      |                  |                  |
| Generated Funds  |      |                  |                  |
| Investment Income  |      | 44,956           | 44,782           |
| Charitable Activities                                    |      |                  |                  |
| Rents  |      | 192,835          | 174,078          |
| Donations  | 4    | 930              | 91,609           |
| <b>Total Incoming Resources</b>                          |      | <u>238,721</u>   | <u>310,469</u>   |
| <b>Resources Expended</b>                                |      |                  |                  |
| Cost of Generating Funds                                 |      |                  |                  |
| Investment management costs                              |      | 7,968            | 7,088            |
| Charitable Activities                                    |      |                  |                  |
| Pensions   | 3    | 1,035            | 660              |
| Cottage Home costs                                       | 5    | 280,474          | 258,753          |
| Management and administration                            | 6    | 35,715           | 31,503           |
|  |      | <u>325,192</u>   | <u>298,004</u>   |
| Governance costs   | 7    | 3,275            | 3,900            |
|  |      | <u>328,467</u>   | <u>301,904</u>   |
| <b>Net (Expended)/ Incoming Resources</b>                |      | <u>(89,746)</u>  | <u>8,565</u>     |
| <b>Other Recognised Gains</b>                            |      |                  |                  |
| Gains/(Losses) on investment assets                      |      |                  |                  |
| Realised   |      | 5,034            | 3,883            |
| Unrealised   | 10   | 49,398           | (13,048)         |
| <b>Net Movement in Funds</b>                             |      | <u>(35,314)</u>  | <u>(600)</u>     |
| Fund balances brought forward at 1 January 2012          |      | <u>6,059,501</u> | <u>6,060,101</u> |
| <b>Fund balances carried forward at 31 December 2012</b> |      | <u>6,024,187</u> | <u>6,059,501</u> |

The notes on pages 11 to 17 form part of these financial statements.

### Notes:

All funds of the Society are unrestricted

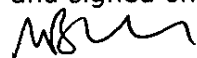
All the results of the Society relate to continuing activities.

# The Aged Christian Friend Society of Scotland

## Balance Sheet As at 31 December 2012

|                                     | Note | 2012<br>£        | 2011<br>£        |
|-------------------------------------|------|------------------|------------------|
| <b>Fixed Assets</b>                 |      |                  |                  |
| Heritable property                  | 9    | 4,800,000        | 4,800,000        |
| Other fixed assets                  | 9    | <u>23,394</u>    | <u>24,962</u>    |
|                                     |      | <u>4,823,394</u> | <u>4,824,962</u> |
| <b>Fixed Asset Investments</b>      |      |                  |                  |
| Investments at market value         | 10   | <u>1,163,975</u> | <u>1,091,799</u> |
| <b>Current Assets</b>               |      |                  |                  |
| Sundry Debtors                      | 11   | 28,092           | 133,461          |
| Cash at bank                        |      | 30,327           | 41,223           |
| Cash in hand                        |      | <u>396</u>       | <u>353</u>       |
|                                     |      | <u>58,815</u>    | <u>175,037</u>   |
| <b>Creditors</b>                    |      |                  |                  |
| Amounts falling due within one year | 12   | 21,997           | 19,580           |
| Tenants Deposits                    |      | <u>0</u>         | <u>12,717</u>    |
|                                     |      | <u>21,997</u>    | <u>32,297</u>    |
| <b>Net Current Assets</b>           |      | <u>36,818</u>    | <u>142,740</u>   |
| <b>Net Assets</b>                   |      | <u>6,024,187</u> | <u>6,059,501</u> |
| <b>Represented by:</b>              |      |                  |                  |
| Unrestricted funds                  |      | <u>6,024,187</u> | <u>6,059,501</u> |

The financial statements were approved and authorised for issue by the Board on 14/08/13 and signed on behalf of the board by



.....Alan J Black  
Chairman

The notes on pages 11 to 17 form part of these financial statements.

# **The Aged Christian Friend Society of Scotland**

## **Notes to the Financial Statements For the year ended 31 December 2012**

### **1. Accounting Policies**

#### **a) Basis of Accounting**

The directors consider the company to be a going concern and they have therefore prepared the financial statements on that basis.

The financial statements have been prepared under the historic cost convention as modified by the revaluation of fixed assets and in accordance with applicable accounting standards in the United Kingdom, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Statement of Recommended Practice - Accounting and Reporting by Charities 2005.

The Society has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a cash flow statement for the year.

#### **b) Incoming Resources**

Income from investments, rent, donations and legacies is credited to the income and expenditure account in the year which it is receivable.

#### **c) Resources Expended**

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis.

Where possible, expenditure has been charged direct to cost of raising funds, charitable expenditure or governance costs. Where this is not possible the expenditure has been allocated on the basis of time spend by staff on each activity.

Cost of generating funds consist of investment management fees.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

#### **d) VAT**

The Society is not registered for VAT and accordingly expenditure includes VAT where appropriate.

#### **e) Fixed Assets and Depreciation**

All fixed assets are initially recorded at cost.

The Society's policy is to capitalise all fixed assets with a value greater than £500.

The rates of depreciation are calculated so as to write off the cost less residual value of each asset evenly over its expected useful life as follows:

|                   |                       |
|-------------------|-----------------------|
| Plant & Equipment | -15% Reducing balance |
| Furniture         | -15% Reducing balance |

/...

## **The Aged Christian Friend Society of Scotland**

### **Notes to the Financial Statements (cont'd) For the year ended 31 December 2012**

#### **1. Accounting Policies (cont'd)**

Depreciation is not provided on heritable properties. This treatment is a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view.

##### **f) Staff Pension Scheme**

The charitable society contributes to a defined benefit pension scheme. This scheme is a multi employer scheme. The charitable society is unable to identify its share of the schemes assets and liabilities and thus, under FRS17, has accounted for the scheme as a defined contribution scheme.

Contributions to the scheme are charged to the Statement of Financial Activities in the year in which they become payable.

##### **g) Investments**

Investments within the accounts are stated at market value. All realised and unrealised gains on disposals are added to the Unrestricted Fund. The shares were acquired in accordance with the powers given to the directors in the Articles of Association and are all quoted on the UK Stock Exchange with the exception of the shares in Edinburgh Crematorium Ltd which are unquoted.

##### **h) Heritable property**

Heritable properties are included in the balance sheet at their open market value, revalued once every five years.

#### **2. Unrestricted Funds**

The Fund consists of cottages providing sheltered housing for men and women, together with investments and bank deposits which provide for the upkeep and maintenance of the cottages and the payment of pensions and the general administration of the Society.

#### **3. Pensions**

Pensions continued to be paid at the rate of £220 per annum to two remaining long-standing pensioners. During the year, the directors appointed Elizabeth Finn Care to identify eight new pensioners who are to be paid the sum of £250 per annum each.

#### **4. Donations**

Donations in 2011 include an unrestricted gift of 43,968 ordinary £1 shares in Edinburgh Crematorium Ltd, valued at £2.06 per share by the company. The gift was received from The Gordon Small Charitable Trust.

# **The Aged Christian Friend Society of Scotland**

## **Notes to the Financial Statements (cont'd) For the year ended 31 December 2012**

### **5. Cottage Homes costs**

|  | <b>2012</b>    | <b>2011</b>    |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
| Rates and insurance                    | 14,529         | 17,550         |
| Telephone                              | 2,372          | 1,771          |
| Garden Upkeep                          | 2,111          | 960            |
| Staff Salaries                         | 68,097         | 71,589         |
| Other Staff Costs                      | 2,708          | 1,571          |
| Heat & Light                           | 37,284         | 30,344         |
| Property Upkeep and Repairs & Cleaning | 148,132        | 128,591        |
| Depreciation                           | 3,860          | 4,422          |
| Miscellaneous Expenses                 | 705            | 1,249          |
| Care Inspectorate Registration         | 676            | 706            |
|  | <u>280,474</u> | <u>258,753</u> |

### **6. Management and administration costs**

|                                      | <b>2012</b>   | <b>2011</b>   |
|--------------------------------------|---------------|---------------|
|                                      | <b>£</b>      | <b>£</b>      |
| Secretaries' fees and expenses       | 28,925        | 28,980        |
| Advertising, printing and stationery | 2,242         | 890           |
| Professional Fees                    | 3,209         |               |
| Miscellaneous expenses               | 1,339         | 1,633         |
|                                      | <u>35,715</u> | <u>31,503</u> |

### **7. Governance costs**

|            | <b>2012</b>  | <b>2011</b>  |
|------------|--------------|--------------|
|            | <b>£</b>     | <b>£</b>     |
| Audit fees | <u>3,275</u> | <u>3,900</u> |

### **8. Staff Numbers and Costs**

The average number of employees during the year was 4 (2011: 4) and the total cost of their remuneration was £68,097 (2011 £71,589) as detailed below:

|                       | <b>2012</b>   | <b>2011</b>   |
|-----------------------|---------------|---------------|
|                       | <b>£</b>      | <b>£</b>      |
| Wages and salaries    | 55,821        | 60,077        |
| Social security costs | 4,647         | 5,069         |
| Pension costs         | 7,629         | 6,443         |
|                       | <u>68,097</u> | <u>71,589</u> |

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

# The Aged Christian Friend Society of Scotland

## Notes to the Financial Statements (cont'd) For the year ended 31 December 2012

### 9. Fixed Assets

| <b>Heritable Property</b>                                | <b>2012<br/>£</b> | <b>2011<br/>£</b> |
|--|-------------------|-------------------|
| Valuation at 31 December 2012 and 31 December 2011       | <u>4,800,000</u>  | <u>4,800,000</u>  |
| Historical cost at 31 December 2012 and 31 December 2011 | <u>2,459,995</u>  | <u>2,459,995</u>  |

The properties were valued on 31 December 2008 by Mark Atkinson BA MRICS.

|                                | <b>Plant &amp;<br/>Equipment<br/>£</b> | <b>Furniture<br/>£</b> | <b>Total<br/>£</b> |
|--------------------------------|--|------------------------|--------------------|
| <b>Cost</b>                    |  |                        |                    |
| Cost bfwd at 31 Dec 11         | 41,118                                 | 2,484                  | 43,602             |
| Additions during year          |  | 2,292                  | 2,292              |
| Cost cfwd at 31 Dec 12         | <u>41,118</u>                          | <u>4,776</u>           | <u>45,894</u>      |
| <b>Depreciation</b>            |  |                        |                    |
| Depreciation bfwd at 31 Dec 11 | 16,940                                 | 1,700                  | 18,640             |
| Depreciation charge for year   | 3,627                                  | 233                    | 3,860              |
| Depreciation cfwd at 31 Dec 12 | <u>20,567</u>                          | <u>1,933</u>           | <u>22,500</u>      |
| <b>Net Book Value</b>          |  |                        |                    |
| As at 31 December 2012         | <u>20,551</u>                          | <u>2,843</u>           | <u>23,394</u>      |
| As at 31 December 2011         | <u>24,178</u>                          | <u>784</u>             | <u>24,962</u>      |



# The Aged Christian Friend Society of Scotland

## Notes to the Financial Statements (cont'd) For the year ended 31 December 2012

### 10. Investments

|   | 2012<br>£        | 2011<br>£        |
|---|------------------|------------------|
| Opening market value at 31 Dec 11                                   | 1,091,799        | 1,183,964        |
| Acquisitions at cost  | 146,013          | 41,997           |
| Acquisitions at market value(Edinburgh Crematorium Ltd)             | -                | 90,574           |
| Disposals at open market value<br>(proceeds £128,269, gains £5,034) | (123,235)        | (211,688)        |
| Unrealised gains at 31 Dec 12 and 31 Dec 11                         | 49,398           | (13,048)         |
| Market value at 31 Dec 12 and 31 Dec 11                             | <u>1,163,975</u> | <u>1,091,799</u> |
| Historical costs at 31 Dec 12 and 31 Dec 11                         | <u>643,710</u>   | <u>583,165</u>   |

The breakdown of the portfolio is as follows:

|                             | 2012<br>£        | 2011<br>£        |
|-----------------------------|------------------|------------------|
| UK Quoted investments:      |                  |                  |
| Fixed and variable interest | 172,591          | 173,339          |
| Equities                    | 813,383          | 757,464          |
| Unit Trusts                 | 86,549           | 70,422           |
| UK Unquoted Investments     | 91,452           | 90,574           |
|                             | <u>1,163,975</u> | <u>1,091,799</u> |

The following investments each comprise over 5% by value of the portfolio:

|                           |   |
|---------------------------|---|
| Royal Dutch Shell plc     | 3,800 €0.07 'B' ordinary shares (UK listed) |
| Edinburgh Crematorium Ltd | 43,968 £1 ordinary shares                   |

### 11. Debtors

|                                | 2012<br>£     | 2011<br>£      |
|--------------------------------|---------------|----------------|
| Other debtors                  | 2,512         | 3,553          |
| Prepayments and accrued income | 10,148        | 9,176          |
| Cash with Stockbroker          | 15,432        | 120,732        |
|                                | <u>28,092</u> | <u>133,461</u> |

## The Aged Christian Friend Society of Scotland

### Notes to the Financial Statements (cont'd) For the year ended 31 December 2012

#### 12. Creditors

|                                 | 2012<br>£     | 2011<br>£     |
|---------------------------------|---------------|---------------|
| Sundry creditors                | 1,066         | -             |
| Accruals and deferred income    | 19,679        | 18,267        |
| Social security and other taxes | 1,252         | 1,313         |
|                                 | <u>21,997</u> | <u>19,580</u> |

#### 13. Indemnity Insurance

Premiums were paid during the year which provide insurance cover for the Society as shown below:

|                        |     |
|------------------------|-----|
| Public Liability       | £2m |
| Professional Indemnity | £1m |

#### 14. Directors' Remuneration

The directors received no remuneration or reimbursement of expenses. (2011: nil).

#### 15. Staff Pension Commitments (as provided by SFHA)

The Aged Christian Friend Society of Scotland participates in the SFHA Pension Scheme ('the Scheme'). The Scheme is funded and is contracted-out of the State Pension Scheme.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to an individual participating employer as the Scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total Scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the Scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the scheme in order to determine the level of future contributions required, so that the Scheme can meet its pension obligations as they fall due.

The last formal valuation of the scheme was performed as at 30 September 2009 by a professionally qualified Actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £295 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £160 million, equivalent to a past service funding level of 64.8%

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2011. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £341 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £207 million, equivalent to a past service funding level of 62.2%.

**The Aged Christian Friend Society of Scotland**

**Notes to the Financial Statements (cont'd)  
For the year ended 31 December 2012**

**16. Contingent Liability**

The Aged Christian Friend Society of Scotland has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the SFHA Pension Scheme based on the financial position of the Scheme as at 30 September 2012. As of this date the estimated employer debt for The Aged Christian Friend Society of Scotland was £185,671 (2011: £200,487).

The Directors confirm that the Society has no intention of withdrawing from the scheme at this time; however, the directors intend to move to the new defined contribution scheme for all future pension contributions as soon as possible.