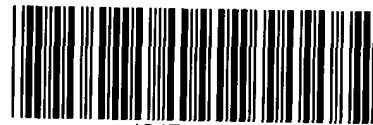


**THE AGED CHRISTIAN FRIEND  
SOCIETY OF SCOTLAND**

**DIRECTORS' ANNUAL REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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

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

## **Contents**

<b>Directors' Annual Report .....</b>	<b>1</b>
<b>Statement of Directors' Responsibilities .....</b>	<b>5</b>
<b>Independent Auditor's Report to the Members .....</b>	<b>6</b>
<b>Income and Expenditure Account .....</b>	<b>8</b>
<b>Statement of Financial Activities .....</b>	<b>9</b>
<b>Balance Sheet.....</b>	<b>10</b>
<b>Notes to the Financial Statements .....</b>	<b>11</b>

**The Aged Christian Friend Society of Scotland  
For the Year Ended 31 December 2014**

**Directors' Annual Report**

**Reference and Administration Information**

Company Registration no:	SC238297
Scottish Charity Number	SC016247
Registered Office, Secretaries and Treasurers	Johnston Smillie Ltd Chartered Accountants 6 Redheughs Rigg Edinburgh EH12 9DQ
Directors	Mr Alan J Black (Chairman) Mrs Mary S N Dale (resigned 10.12.14) Mrs Margaret C Hall (resigned 07.05.14) Mr Peter J Hastie (resigned 16.02.14) Ms Hilary Peppiette (resigned 24.02.14, appointed 10.12.14) Dr Kenneth Sutherland Mrs Margaret Baxendine (appointed 19.02.14) Revd Maurice Houston (appointed 19.02.14) Mr Paul Davies (appointed 07.05.14) Mrs Lindsay Robertson (appointed 07.05.14) Mr Jason Rust (appointed 13.08.14) Mrs Gwen Baird (appointed 18.02.15)
Auditor	Scott-Moncrieff Chartered Accountants Exchange Place 3 Sempie Street Edinburgh EH3 8BL
Bankers	Bank of Scotland plc PO Box 1000 BX2 1LB
Solicitors	Balfour + Manson 54-66 Frederick Street Edinburgh EH2 1LS
Investment Advisors	Rathbone Investment Management Ltd 28 St Andrew Square Edinburgh EH2 1AF

## **The Aged Christian Friend Society of Scotland For the Year Ended 31 December 2014**

### **Directors' Annual Report (cont'd)**

#### **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 10 September 2014, Mr Alan Black, having retired by rotation, was re-elected. It was also resolved that Dr Kenneth Sutherland, Mrs Margaret Baxendine, Revd Maurice Houston, Mr Paul Davies, Mrs Lindsay Robertson and Mr Jason Rust, having been appointed since the last AGM, would retire and all were re-elected. Additional resignations were received from Peter Hastie (16.02.14) Mrs Margaret Hall (07.05.14) and Mrs Mary Dale (10.12.14). The Society thanks them for their services. The following directors were appointed: Mrs Margaret Baxendine (19.02.14), Revd Maurice Houston (19.02.14), Mr Paul Davies (07.05.14), Mrs Lindsay Robertson (07.05.14), Mr Jason Rust (13.08.14) and Mrs Gwen Baird (18.02.15). Ms Hilary Peppiette resigned on the 24.02.14 and was reappointed on 10.12.14.

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. The directors additionally engaged the services of Spence & Partners as advisers in the matter of staff pensions.

##### **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 Scotland, but its principal activity is the provision of sheltered housing at the Colinton Cottage Homes, Colinton, Edinburgh. The day to day management of the Cottage Homes is carried out by the Manager who reports to the Board of Directors.

**The Aged Christian Friend Society of Scotland  
For the Year Ended 31 December 2014  
Directors' Annual Report (cont'd)**

**Grant Making Policy**

Grants are given in the form of pensions. These are distributed half-yearly to the two remaining long-standing pensioners at the rate of £220 per annum. Additionally, the directors appointed Elizabeth Finn Care in 2012 to identify further individuals who are resident in Scotland and who are aged over 65. The sums of £250 per annum each are now paid to 8 individuals.

**Achievements and Performance**

This has been a very satisfactory year for the Society and I would like to record the Board's appreciation for the hard work of our staff at the Cottage Homes. This has also been a year of transition for the Board with the retirement of Peter Hastie, Margaret Hall and Mary Dale. I would like to thank them all for their contributions to the success of the Society. Particular thanks must go to Mary Dale for her thirty years of loyal service to the Society. Mary has served as vice-chairman, a member of the finance committee and with the property group in the course of which she has upheld and promoted the principles and standards involved in the work of the Society. Her knowledge and experience has been integral in meeting our objectives. I am also very pleased to welcome our new Directors - Margaret Baxendine, Revd Maurice Houston, Paul Davies, Lindsay Robertson, Jason Rust and Gwen Baird who have been appointed this year and I look forward to working with them in the future.

Within the Cottage Homes the social committee and staff have had a busy year organising events and outings. The traditional Burn's Lunch in January was followed by the Chinese New Year celebration in February. There was an outing to the Puppet Theatre in Biggar in May, a trip to Dunfermline in June followed by a sail on Loch Katrine in September. There was also a very successful Bring and Buy sale in April and an entertaining visit in July to the summer production at George Watson's College. A Halloween party was enjoyed in October and Christmas was celebrated by the Directors' Christmas Lunch, a staff organised Christmas party and finally the Christmas Carol evening. In addition the regular weekly activities continued as usual throughout the year and, during term time, a new group of boys from Merchiston Castle School joined us for a variety of activities for an afternoon every two weeks. The two local churches Colinton Parish Church and St Cuthbert's Church continue to give their support and I would like to thank the Church of Scotland for the two Communion Services carried out in our hall.

Turning to the financial situation, total incoming resources increased from £255,273 to £275,516 in 2014, reflecting satisfactory growth in rental income and an increase in donations and legacies. Following a number of years of heavy expenditure on the cottages, there has been a decline in the outlay on property upkeep and repairs from £98,752 in 2013 to £64,418 in 2014. This remains a significant figure and reflects the Board's determination to maintain the cottages at a high standard. As a result, there is a net surplus for the year of £29,845 before other gains and losses compared to a net deficit before other gains and losses of £37,272 in 2013.

The Balance Sheet as at 31 December 2014 remains in a strong position with net assets having increased by £75,616 to £6,592,977. The market value of the Society's investments rose from £1,246,556 to £1,305,038.

Throughout the year, day to day Secretarial and Treasurer duties of the Society are carried out by our Secretaries and Treasurers, Johnston Smillie Ltd, and I would like to record our appreciation of the work Allan Sim, David Miller and their colleagues do on behalf of the Society.

**The Aged Christian Friend Society of Scotland  
For the Year Ended 31 December 2014  
Directors' Annual Report (cont'd)**

**Financial Review**

The Society had an operating surplus of £ 29,845 for the year (2013: £37,272 deficit), as shown in the SOFA. After accounting for a realised loss on the disposal of quoted investments of £13,103 (2013: Gain of £8,153), and an unrealised gain on investments of £58,874 (2013: £122,293), there was a net surplus of £75,616 (2013: £493,174). The five-yearly property valuation produced a surplus of £400,000 in 2013 which contributed to this surplus.

The market value of the investments at the year-end was £1,305,038 (2013:£1,246,556). Cash with the stockbroker (included in debtors) was £13,905 (2013: £36,736).

The funds are all unrestricted and they showed an increase from £6,517,361 to £6,592,977 as a result of the operating surplus and investment gains.

**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.

**Small Company Exemptions**

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**The Aged Christian Friend Society of Scotland  
For the Year Ended 31 December 2014**

**Directors' Annual Report (cont'd)**

**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 12<sup>th</sup> August 2015  
And signed on behalf of the board by



.....  
Alan J Black  
Chairman

**The Aged Christian Friend Society of Scotland  
For the Year Ended 31 December 2014**

**Independent Auditor's Report to the Members and Directors**

We have audited the financial statements of The Aged Christian Friend Society of Scotland for the year ended 31 December 2014 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 Chapter 3 of part 16 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeprivate](http://www.frc.org.uk/auditscopeprivate).

**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 2014 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).



**The Aged Christian Friend Society of Scotland  
For the Year Ended 31 December 2014**

**Independent Auditor's Report to the Members and Directors (cont'd)**

**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; or
- the directors were not entitled to prepare financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



**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**  
**Seample Street**  
**Edinburgh**  
**EH3 8BL**

12<sup>th</sup> August 2015

**The Aged Christian Friend Society of Scotland  
For the Year Ended 31 December 2014**

**Income and Expenditure Account**

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
<b>Income</b>			
Donations and legacies		6,400	1,466
Rents from land and buildings		225,223	207,699
Interest and dividends		43,893	46,108
Realised gains on investments		-	8,153
		<u>275,516</u>	<u>263,426</u>
<b>Expenditure</b>			
Investment management costs		8,828	8,168
Pensions	3	2,815	1,955
Cottage Home costs	4	195,332	233,794
Management and administration	5	35,314	45,328
Auditor's remuneration	6	3,382	3,300
Realised loss on investments		13,103	-
		<u>258,774</u>	<u>292,545</u>
<b>Surplus/(Deficit) for the year</b>		<u><u>16,742</u></u>	<u><u>(29,119)</u></u>

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

**The Aged Christian Friend Society of Scotland  
For the Year Ended 31 December 2014**

**Statement of Financial Activities**

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
<b>Incoming Resources</b>			
Generated Funds			
Investment Income		43,893	46,108
Charitable Activities			
Rents		225,223	207,699
Donations and legacies		6,400	1,466
<b>Total Incoming Resources</b>		<u>275,516</u>	<u>255,273</u>
<b>Resources Expended</b>			
Cost of Generating Funds			
Investment management costs		8,828	8,168
Charitable Activities			
Pensions	3	2,815	1,955
Cottage Home costs	4	195,332	233,794
Management and administration	5	35,314	45,328
		<u>242,289</u>	<u>289,245</u>
Governance costs	6	3,382	3,300
		<u>245,671</u>	<u>292,545</u>
<b>Net Incoming/(Expended) Resources</b>		29,845	(37,272)
<b>Other Recognised Gains and Losses</b>			
(Losses)/Gains on investment assets			
Realised		(13,103)	8,153
Unrealised	9	58,874	122,293
Revaluation gain on heritable property	8	-	400,000
<b>Net Movement in Funds</b>		<u>75,616</u>	<u>493,174</u>
 Fund balances brought forward at 1 January 2014		<u>6,517,361</u>	<u>6,024,187</u>
<b>Fund balances carried forward at 31 December 2014</b>		<u><u>6,592,977</u></u>	<u><u>6,517,361</u></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  
For the Year Ended 31 December 2014**

**Balance Sheet  
As at 31 December 2014**

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
<b>Fixed Assets</b>			
Heritable property	8	5,200,000	5,200,000
Other fixed assets	8	<u>17,768</u>	<u>19,885</u>
		<u>5,217,768</u>	<u>5,219,885</u>
<b>Fixed Asset Investments</b>			
Investments at market value	9	<u>1,305,038</u>	<u>1,246,556</u>
<b>Current Assets</b>			
Sundry Debtors	10	23,084	46,746
Cash at bank		59,915	25,488
Cash in hand		<u>620</u>	<u>639</u>
		<u>83,619</u>	<u>72,873</u>
<b>Creditors</b>			
Amounts falling due within one year	11	<u>13,448</u>	<u>21,953</u>
<b>Net Current Assets</b>		<u>70,171</u>	<u>50,920</u>
<b>Net Assets</b>		<u><u>6,592,977</u></u>	<u><u>6,517,361</u></u>
<b>Represented by:</b>			
Unrestricted funds		<u><u>6,592,977</u></u>	<u><u>6,517,361</u></u>

These accounts have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the Board on the 12<sup>th</sup> August 2015 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.

Registered Company Number: SC238297

**The Aged Christian Friend Society of Scotland  
For the Year Ended 31 December 2014**

**Notes to the Financial Statements**

**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  
For the Year Ended 31 December 2014**

**Notes to the Financial Statements (cont'd)**

**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 contributed to a defined benefit pension scheme until 30 September 2013. 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. From 1 October 2013, the Society contributes to a defined contribution multi-employer pension 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. Following the appointment in 2012 of Elizabeth Finn Care to identify new pensioners, eight individuals are now being paid the sum of £250 per annum each.

**The Aged Christian Friend Society of Scotland  
For the Year Ended 31 December 2014**

**Notes to the Financial Statements (cont'd)**

**4. Cottage Homes costs**

	<b>£</b>	<b>£</b>
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Rates and Insurance	15,293	17,619
Telephone	3,155	2,798
Garden Upkeep	450	1,165
Staff Salaries	73,840	69,547
Other Staff Costs	1,000	2,700
Heat & Light	32,783	36,416
Property Upkeep and Repairs & Cleaning	64,418	98,752
Depreciation	3,136	3,509
Miscellaneous Expenses	581	612
Care Inspectorate Registration	676	676
	<u>195,332</u>	<u>233,794</u>

**5. Management and administration costs**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Secretaries' Fees and Expenses	30,554	29,664
Advertising, Printing and Stationery	1,716	982
Professional Fees	1,106	13,303
Miscellaneous Expenses	1,938	1,379
	<u>35,314</u>	<u>45,328</u>

**6. Governance costs**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Audit Fees	<u>3,382</u>	<u>3,300</u>

**7. Staff Numbers and Costs**

The average number of employees during the year was 4 (2013: 4) and the total cost of their remuneration was £73,840 (2013 £69,547) as detailed below:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and Salaries	59,729	56,842
Social Security Costs	2,981	4,681
Pension Costs	11,130	8,024
	<u>73,840</u>	<u>69,547</u>

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

**The Aged Christian Friend Society of Scotland  
For the Year Ended 31 December 2014**

**Notes to the Financial Statements (cont'd)**

**8. Fixed Assets**

<b>Heritable Property</b>	<b>2014 £</b>	<b>2013 £</b>
Valuation at 31 December 2014 and 31 December 2013	<u>5,200,000</u>	<u>5,200,000</u>
Historical cost at 31 December 2014 and 31 December 2013	<u>2,459,995</u>	<u>2,459,995</u>

The properties were valued on 31 December 2013 by Mark Atkinson BA MRICS. This resulted in a revaluation surplus of £400,000.

	<b>Plant &amp; Equipment £</b>	<b>Furniture £</b>	<b>Total £</b>
<b>Cost</b>			
Cost bfwd at 31 Dec 13	41,118	4,776	45,894
Additions during year	-	1,019	1,019
Cost cfwd at 31 Dec 14	<u>41,118</u>	<u>5,795</u>	<u>46,913</u>
<b>Depreciation</b>			
Depreciation bfwd at 31 Dec 13	23,650	2,359	26,009
Depreciation charge for year	2,620	516	3,136
Depreciation cfwd at 31 Dec 14	<u>26,270</u>	<u>2,875</u>	<u>29,145</u>
<b>Net Book Value</b>			
As at 31 December 2014	<u>14,848</u>	<u>2,920</u>	<u>17,768</u>
As at 31 December 2013	<u>17,468</u>	<u>2,417</u>	<u>19,885</u>



**The Aged Christian Friend Society of Scotland  
For the Year Ended 31 December 2014**

**Notes to the Financial Statements (cont'd)**

**9. Investments**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Opening market value at 31 Dec 13	1,246,556	1,163,975
Acquisitions at cost	167,030	86,810
Disposals at open market value (proceeds £154,319, loss £13,103)	(167,422)	(126,522)
Unrealised gains at 31 Dec 14 and 31 Dec 13	58,874	122,293
Market value at 31 Dec 14 and 31 Dec 13	<u>1,305,038</u>	<u>1,246,556</u>
Historical costs at 31 Dec 14 and 31 Dec 13	<u>729,314</u>	<u>665,213</u>

The breakdown of the portfolio is as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
UK Quoted investments:		
Fixed and variable interest	155,311	150,494
Equities	943,088	894,942
Unit Trusts	108,590	106,589
UK Unquoted Investments	98,049	94,531
	<u>1,305,038</u>	<u>1,246,556</u>

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

Royal Dutch Shell plc 3,150 €0.07 'B' ordinary shares (UK listed)  
TR Property Investment Trust 24,500 25p ordinary shares (UK listed)  
Findlay Park plc American 1,650 US\$ 71.40 NAV shares (UK listed)  
Edinburgh Crematorium Ltd 43,968 £1 ordinary shares (unquoted)

**10. Debtors**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Other debtors	2,198	2,198
Prepayments and accrued income	6,981	7,812
Cash with Stockbroker	13,905	36,736
	<u>23,084</u>	<u>46,746</u>

**The Aged Christian Friend Society of Scotland  
For the Year Ended 31 December 2014**

**Notes to the Financial Statements (cont'd)**

**11. Creditors**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Sundry Creditors	-	1,928
Accruals and Deferred Income	12,109	18,835
Social Security and Other Taxes	1,339	1,190
	<u>13,448</u>	<u>21,953</u>

**12. Indemnity Insurance**

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

Public Liability	£2m
Professional Indemnity	£1m

**13. Directors' Remuneration**

The directors received no remuneration or reimbursement of expenses. (2013: nil).

**14. Staff Pension Commitments (as provided by The Pensions Trust)**

The Aged Christian Friend Society of Scotland participates in the Scottish Housing Association's 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 2012 by a professionally qualified Actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £394 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £304 million, equivalent to a past service funding level of 56.4%

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2014. 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 £539 million and indicated a decrease in the shortfall of assets compared to liabilities to approximately £281 million, equivalent to a past service funding level of 66%.

**The Aged Christian Friend Society of Scotland  
For the Year Ended 31 December 2014**

**Notes to the Financial Statements (cont'd)**

**15. 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 Scottish Housing Association's Pension Scheme based on the financial position of the Scheme as at 30 September 2014. As of this date the estimated employer debt for The Aged Christian Friend Society of Scotland was £213,237 (2013: £170,779).

The Directors confirm that the Society has no intention of withdrawing from the scheme at this time; however, the Society has moved to the new defined contribution scheme, provided by the Scottish Housing Association's Pension Scheme, as from 1 October 2013, thereby limiting employer obligations from that date to the amount of employer pension contributions.