

SC238297

**THE AGED CHRISTIAN FRIEND
SOCIETY OF SCOTLAND**

FINANCIAL STATEMENTS

**For the period from the date of incorporation
17 October 2002 to 31 December 2003**

Statutory



SCT 800TSX4N 0171
COMPANIES HOUSE 26/07/04

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

(Company Limited by Guarantee and not having a Share Capital)

FINANCIAL ACCOUNTS

For the period from 17 October 2002 to 31 December 2003

COMPANY REGISTRATION No: 238297

SCOTTISH CHARITY No: SC016247

DIRECTORS: Mr Michael D Pentland, CA, Chairman
Mrs Mary S N Dale, Vice-Chairman
Mrs Jean G Keppie, MBE, Honorary Treasurer
Mr Stuart Bridges
Mrs Merle Copland
Mr Peter Graham, FRICS
Mrs H Evelyn M Jamieson
Sheriff W Douglas Small
Mr Peter J D Smith, MA. FFA
Rev George J Whyte, BSc. BD
Mrs Agnes Wright

**SECRETARIES AND
REGISTERED OFFICE:** Brodies
15 Atholl Crescent
EDINBURGH
EH3 8HA

BANKERS: The Royal Bank of Scotland plc
36 St Andrew Square
EDINBURGH
EH2 2YB

SOLICITORS: Brodies
15 Atholl Crescent
EDINBURGH
EH3 8HA

AUDITORS: Scott-Moncrieff
Chartered Accountants
17 Melville Street
EDINBURGH
EH3 7PH

INVESTMENT ADVISORS: Gerrard Ltd
12 Melville Crescent
EDINBURGH
EH3 7LU

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND
FINANCIAL ACCOUNTS

For the period from 17 October 2002 to 31 December 2003

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THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

DIRECTORS' REPORT

Incorporation of the Society

The Company was incorporated and registered on 17 October 2002 as a Private Limited Company (Registration No. 238297). On 1 January 2003 all the assets and liabilities of the Society transferred to the new Company (hereinafter referred to as "the Society").

Directors

The Directors of the Society who served during the year were:

Mr Michael D Pentland, CA, Chairman
Mrs Mary S N Dale, Vice-Chairman
Mrs Jean G Keppie, MBE, Honorary Treasurer
Mr Stuart Bridges
Mrs Merle Copland
Mr Peter Graham, FRICS
Mrs H Evelyn M Jamieson
Sheriff W Douglas Small
Mr Peter J D Smith, MA. FFA
Rev George J Whyte, BSc. BD
Mrs Agnes Wright

The Registered Office of the Society is 15 Atholl Crescent, Edinburgh EH3 8HA, the Office of the Secretaries, Brodies.

Review of 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 or 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 Cottage Homes are managed by the Care Director who reports to the Board of Directors. There is also a Finance Committee which again reports to the Board of Directors and considers all financial, including investment, matters.

The Society has achieved a surplus of £21,875 for the period to 31 December 2003, as shown in the statement of financial activities, after accounting for a gain on the disposal of quoted investments of £6,919 and donations and legacies of £2,570.

As in past years the general maintenance programme for the Colinton Cottage Homes has continued, together with general upgrading of cottages whenever possible.

The Colinton Cottage Homes have been revalued at £4,200,000 as at 31 December 2003, and this has been incorporated in these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2000). Investments have been managed in accordance with powers afforded to the Board of Directors in the Society's Memorandum & Articles.

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

Pensions continued to be paid at the rate of £220 per annum.

Share Capital/..

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

DIRECTORS' REPORT(cont'd)

Share Capital

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

Taxation

The Society is a charity and is recognised as such by the Inland Revenue for taxation purposes. As a result there is no liability to taxation on any of its income.

Investment Policy

The Society uses the services of Gerrard Ltd as investment advisers. The policy is to adopt a low risk investment strategy based on maximising income while maintaining capital growth.

Reserves Policy

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

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.

Auditors

Scott-Moncrieff Chartered Accountants were appointed as auditors during the period from incorporation. The directors will place a resolution before the Annual General Meeting to re-appoint Scott-Moncrieff CA as auditors for the ensuing year.

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 surplus or deficit for the Society for that period. In preparing those financial statements, the directors are required to:

- . select suitable accounting policies and then apply them consistently;
- . make judgements and estimates that are reasonable and prudent;
- . 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 legislation. 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.....
and signed on its behalf by



.....
M D Pentland
Chairman

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

For the period ended 31 December 2003

We have audited the financial statements of The Aged Christian Friend Society of Scotland for the period from 17 October 2002 to 31 December 2003 set out on pages 5 to 11. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

This report is made solely to the Society's members as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the charitable Society's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the charitable Society has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable Society is not disclosed.

We read the Director'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 United Kingdom Auditing Standards issued by 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 Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable Society's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable Society's affairs as at 31 December 2003 and of its incoming resources and application of resources in the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Scott Moncrieff

Scott-Moncrieff
Chartered Accountants
Registered Auditor
17 Melville Street
EDINBURGH EH3 7PH

31 March

2004

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

INCOME AND EXPENDITURE ACCOUNT

For the period ended 31 December 2003

	Note	2003 £	£
Income			
Legacies			500
Realised Gains on Investments			6,919
Interest and Dividends			41,946
Rents from Land and Buildings			146,826
Donations & Subscriptions			2,085
			<u>198,276</u>
Expenditure			
Grants and Donations relating directly to charitable activities (Pensions)	3	2,915	
Other expenditure relating directly to charitable activities	4	107,716	
Administration costs	5	64,419	
Auditor's remuneration	5	1,351	
		<u>176,401</u>	
Surplus for the year			<u><u>21,875</u></u>

All the results of the Society relate to continuing activities.

The notes on pages 8 to 11 form part of these financial accounts.

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES

For the period ended 31 December 2003

	Note	2003 £
INCOME AND EXPENDITURE		
Incoming Resources		
Legacies		500
Donations & Subscriptions		2,085
Investment Income		41,946
Rents		146,826
Total Incoming Resources		<u>191,357</u>
Resources Expended		
Activities in furtherance of the charity's objectives :		
Pensions	3	2,915
Cottage Homes	4	107,716
Other expenditure :		
Management and administration of the charity	5	65,770
Total Resources Expended		<u>176,401</u>
Net Incoming Resources for the year		<u>14,956</u>
Other Recognised Gains and Losses		
Gains on investments:		
Realised		6,919
Unrealised	9	93,156
Revaluation gain on fixed assets		1,740,005
Net Movement of Funds		<u>1,855,036</u>
Funds introduced from unincorporated Society		3,421,360
Fund Balances carried forward at 31 December 2003		<u><u>5,276,396</u></u>

The notes on pages 8 to 11 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 2003

	Note	2003 £	2003 £
FIXED ASSETS			
Heritable Property	8		4,200,000
Other Fixed Assets	8		15,548
			<u>4,215,548</u>
INVESTMENTS			
Investments per valuation	9		941,341
CURRENT ASSETS			
Cash at Bank		131,634	
Cash Balance		122	
Sundry Debtors	10	3,552	
		<u>135,308</u>	
CURRENT LIABILITIES			
Amounts falling due within one year	11	15,630	
Other Creditors		171	
		<u>15,801</u>	
NET CURRENT ASSETS			119,507
			<u>5,276,396</u>
REPRESENTED BY:			
Funds			
Unrestricted Funds			<u>5,276,396</u>

Approved by the Board on 9: Nov 2004
and signed on its behalf by

MD Pentland
M D Pentland
Chairman

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2003

1. Accounting Policies

- a) 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, Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2000) and the Companies Act 1985.
- b) Donations and legacies are credited in the Accounts on an accruals basis.
- c) Rental income from the Colinton Cottage Homes and income from investments are credited in the Accounts on an accruals basis.
- d) Expenditure on the upkeep and modernisation of the Colinton Cottage Homes is written off in the year when incurred.
- e) The Society operates a defined contribution pension scheme and this is accounted for in accordance with FRS17.
- f) 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
- g) 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.
- h) 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.
- i) The Society is not registered for VAT and accordingly expenditure includes VAT where appropriate.

2. Unrestricted Funds

The Fund consists of cottages providing sheltered housing for Christian 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. Grants for Charitable Purposes

During the period, 14 pensions were paid totalling £2,915. All pensions were paid at the rate of £220 per annum.

4. Other Expenditure Relating to Charitable Activities

	2003 £
Colinton Cottage Homes:	
Rates and Insurance	10,950
Telephone	762
Garden Upkeep	2,373
Staff Salaries	49,245
Heat & Light	14,067
Property Upkeep and Repairs & Cleaning	25,400
Depreciation	2,743
Miscellaneous Expenses	2,176
	<u>107,716</u>

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the period ended 31 December 2003

5. Administration Costs

	2003 £
Administration costs include:	
Secretaries' fees and expenses	45,597
Advertising and printing	5,900
Miscellaneous expenses	12,922
	<hr/>
	64,419
Audit fees	1,351
	<hr/>
	<u>65,770</u>

6. Staff Numbers and Costs

The average number of employees during the year was 3 and the total cost of their remuneration was £42,288 as detailed below:

	2003 £
Wages and salaries	37,300
Social security costs	2,185
Pension costs	2,803
	<hr/>
	<u>42,288</u>

There were no employees with emoluments above £50,000.

7. Financial Commitments

	2003 £
At the end of the period, capital commitments were:	
Contracted for but not provided for:	<hr/>
	<u>-</u>

8. Fixed Assets

Heritable Property

Valuation at 31.12.98	2,200,000
Capital expenditure 1999 - 2002	259,995
	<hr/>
Transferred from unincorporated society at 1.1.03	2,459,995
Add : Revaluation increase at 31.12.03	1,740,005
	<hr/>
	<u>4,200,000</u>

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the period ended 31 December 2003

8. Fixed Assets (cont'd)

	Plant & Equipment	Furniture	Total
Cost			
Transferred from unincorporated society at 1 January 2003	15,766	1,836	17,602
Additions during year	-	689	689
Less Disposals during year	-	-	-
	<u>15,766</u>	<u>2,525</u>	<u>18,291</u>
Depreciation			
Charge for year	2,365	378	2,743
As at 31 December 2003	<u>2,365</u>	<u>378</u>	<u>2,743</u>
Net Book Value			
As at 31 December 2003	<u>13,401</u>	<u>2,147</u>	<u>15,548</u>

9. Investments

	Listed in the UK 2003 £
Transferred from unincorporated society at 1 January 2003	869,480
Add: acquisitions at cost	27,068
Less: disposals at book value (proceeds £55,282, gain £6,919)	(48,363)
Unrealised gain at 31 December 2003	<u>93,156</u>
Market value at 31 December 2003	<u>941,341</u>
Historical costs as at 31 December 2003	<u>366,795</u>
The breakdown of the portfolio is as follows:	
UK Quoted Investments:	
Fixed and variable interest	74,911
Equities	824,031
Unit Trusts	42,399
	<u>941,341</u>

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the period ended 31 December 2003

9. Investments cont'd

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

- 18,000 Shell Transport & Trading Co plc ordinary 25p shares
- 2,000 AstraZeneca plc ordinary US\$0.25 shares
- 12,000 Barclays plc ordinary 25p shares
- 5,475 Royal Bank of Scotland plc ordinary 25p shares

10. Debtors

	2003
	£
Income Tax recoverable	1,678
Prepayments and accrued interest	860
Other debtors	1,014
	<u>3,552</u>

11. Creditors: Amounts falling due within one year

	2003
	£
Accruals	
Trade creditors	13,480
Social Security and other taxes	2,150
	<u>15,630</u>

12. Indemnity Insurance

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

Public Liability	£1m
Professional Indemnity	£1m

13. Directors' Remuneration

The Directors received no remuneration or reimbursement of expenses.

14. Revaluation of Fixed Assets

A revaluation of the sheltered housing at Colinton Cottage Homes was carried out by Mr Mark Atkinson, ARICS, on 30 March 2004. Taking into account the fact that the properties are tenanted and the considerable modernisation works which have been carried out, as well as the substantial increase in residential values since his last valuation five years ago, Mr Atkinson has valued the properties at £4,200,000.