



THE ABBEYFIELD GLASGOW SOCIETY LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

(Registered Charity No: SC005661)

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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THE ABBEYFIELD GLASGOW SOCIETY LIMITED

CHAIRMAN'S REPORT

Following the decision taken on 6th January 2021 by the Executive Committee to close the care home in Springburn a closure date was fixed for 31st May 2021. This would have allowed for an orderly relocation of the residents and release of staff. Glasgow Health and Social Care Partnership (GHSCP) undertook the relocation of the residents to appropriate care homes and this was completed by 31st March. All residents received first and second COVID-19 vaccinations before leaving our care.

With the agreement of our landlords, North Glasgow Housing Association, the closure was brought forward to 16th April 2021. North Glasgow Housing Association also agreed early release from the lease which would otherwise not have expired until March 2022.

The accompanying report by the Executive Committee gives some detail on the disposal of the remaining cash resources and equipment. The balance of the surplus funds will be distributed to other Abbeyfield Society Care Homes which come under the Abbeyfield Societies in Scotland umbrella. These funds will be made available to Societies which have plans in hand for projects which will benefit their residents. At the date of this report a large proportion of the remaining funds has been donated to the approved Abbeyfield Societies. Specialist equipment has already been donated to such Societies.

This is a rather sad ending to a project which was the idea of the late and former Chairperson, Lady Jean Morris. Establishing a purpose built care home in a deprived area of Glasgow seemed a good idea at the time, but underfunding by Central and Local Government, a fact much publicised in the current pandemic, sounded the death knell for a very commendable venture.

The Executive Committee are grateful to North Glasgow Housing Association for their help and support over the years. We are also grateful to our management, care, domestic and administration staff who worked tirelessly to provide a high standard of care to our residents.

Finally, I must thank members of the Executive Committee, past and present, for their support over the years. We were fortunate that among us we had appropriate expertise which meant that when difficult situations arose, they were dealt with professionally and expeditiously.



Chairman

Dated: 16 March 2022

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee presents its report and the audited financial statements for the year ended 30 September 2021.

Objectives and activities

The principal activity and main objective of the Society was the provision of care and companionship for elderly people who are no longer willing or able to live alone; and the development and operation of residential accommodation for them in a care home. Our key aims were:

- to provide a peaceful, friendly atmosphere where residents can remain as independent as possible and continue to have access to health, leisure and community services.
- to provide 24 hour personalised care along with a wide range of services and facilities for our residents.
- to ensure the care provided is of the highest standard possible.
- to ensure residents are provided with a comfortable and stimulating environment.
- to admit self-funded residents as well as council funded residents to assist in finances of the Society.

In January 2021 the Executive Committee reluctantly took the decision to close the operations of the care home operated by the Society due to the continuing large losses being incurred. Consultations with staff regarding redundancies occurred during late January and February. The staff representatives agreed to the proposed statutory and ex-gratia redundancy payments with no objections to the course of action proposed by the Executive Committee being raised.

Achievements and performance

The single residential care home operated by the Society continued to make large operational losses in the three months to December 2020 and as noted above in early January 2021 the Executive Committee reluctantly took the decision to close this care home.

After the consultations with staff representatives were concluded all relevant interested parties were notified of the decision to close the care home, including residents and their families, Glasgow City Health & Social Care Partnership (GCHSCP), the Care Inspectorate, North Glasgow Housing Association (the landlords), the insurers, Abbeyfield Societies in Scotland and Azets, the Society's auditors.

On 26 February the first two residents were transferred to new care homes by GCHSCP and on 24 March the last two remaining residents were transferred to new care homes.

Termination letters were issued to all members of staff during various dates in March, with the first staff member leaving due to redundancy on 14 March and the last two leaving on 16 April 2021.

In March other Abbeyfield Societies visited the care home and decided on what furniture and fittings they would like gifted to them when the home closed. After the last resident left all these items were uplifted.

A meeting was held to discuss the ending of the lease with North Glasgow Housing Association on 16 March 2021. Representatives from North Glasgow Housing Association inspected the property and agreement was reached to pass the premises back to North Glasgow Housing Association on 16 April 2021, with the lease ending on that day and no money payable to either party. As part of the agreement North Glasgow Housing Association agreed to take all furniture and fittings remaining in the home at the handover date.

On 16 April 2021 at a meeting and reception held by North Glasgow Housing Association at the care home the keys were handed over to North Glasgow Housing Association.

After the closure of the care home all remaining outstanding debtors and creditors relating to the care home were recovered and paid. After these transactions the Society had surplus funds of approximately £450,000 which will be distributed to likeminded charities according to the rules of the Society. Thereafter the Society will be wound up.

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

REPORT OF THE EXECUTIVE COMMITTEE

Achievements and performance (continued)

In June 2021 the Society received a formal funding request from Abbeyfield Ballachulish Society Ltd for £60,000 to assist with the financing of the extension to the Ballachulish Care Home. The request was discussed and approved by the Executive Committee and the funds were transferred to Abbeyfield Ballachulish on 24 June 2021 (see note 8 to the financial statements).

Financial review

As noted above the care home operated by the Society was closed on 16 April 2021. The Society reported a deficit before revaluation of investments of £589,788, which includes a charge for statutory and ex-gratia redundancy payments of £256,889. All investments were disposed of in February 2021 and the surplus on disposal of investments was £66,320, resulting in an overall net decrease in funds for the year of £523,468 and net assets of £411,158 at 30 September 2021.

Investment policy

Investment matters are dealt with by the Executive Committee. All investments were disposed of in February 2021.

Plans for future periods and post balance sheet events

As noted previously the Executive Committee took the decision in January 2021 to close the operations of the Society. The closure was completed in April 2021 and after the Executive Committee has embarked on the exercise of distributing all remaining funds to likeminded charities in accordance with the rules of the Society.

Structure, Governance and Management

The Abbeyfield Glasgow Society Limited was incorporated on 10 October 1960 and registered under The Co-operative & Community Benefit Societies Act 2014. The Society trades under the name of Abbeyfield, with its residential home known as Abbeyfield House.

The governance of the Society is laid down by the rules of The Co-operative & Community Benefit Societies Act 2014. These rules dictate that an Executive Committee must manage the Society's affairs. Appointments to the Executive Committee result from introductions from existing members of the Committee or from the Society's professional advisers. New members are selected on the basis of the skills and expertise which they can bring to the organisation. A disclosure check is made on members of the Executive Committee as necessary and all members of staff. The Executive Committee deals with administrative affairs and internal house matters, and set pay and remuneration for staff and management. The House Manager reported directly to the Executive Committee.

The Society is a member of The Abbeyfield Societies in Scotland Ltd and The Abbeyfield Society. These are umbrella organisations that provide benefits to the Society including the use of the name and reputation, knowledge, advice and training.

Induction of committee members

New members admitted to the Executive Committee are selected on the basis of their professional expertise which would be considered of value to the Society. Following an initial interview, a handbook is available to familiarise new members with the aims and objectives of the Abbeyfield Society and the responsibilities of committee members.

Risk Management

The Committee have completed a risk management strategy for The Abbeyfield Glasgow Society. This strategy monitors and assesses the major risks to which they are exposed, and comprised of a review of the risks which the Society may face; the establishment of systems and procedures which mitigate those risks identified in the risk assessment; and the implementation of procedures designed to minimise any potential impact on the Society should any of those risks materialise.

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

REPORT OF THE EXECUTIVE COMMITTEE

Reference and administration details

Executive Committee

[REDACTED] Chairman)
[REDACTED] (Vice-Chairman)
[REDACTED] (Treasurer)
[REDACTED]
[REDACTED]
[REDACTED]

Secretary

[REDACTED]

**Administration Office
(until April 2021)**

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Registered Office

37 Garvel Road
Glasgow
G62 7JD

Auditor

Azets Audit Services
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Solicitor

Morton Fraser
145 St Vincent Street
Glasgow
G2 5JF

**Stockbroker
(until February 2021)**

Rathbone Investment Management
George House
50 George Street
Glasgow
G2 1EH

Registered Number

1873R (S)

Charity Number

SC005661

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

REPORT OF THE EXECUTIVE COMMITTEE

Statement of Executive Committee's responsibilities

The Committee are responsible for preparing the Executive Committee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Committee 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 income and expenditure, of the Society for that period. In preparing these financial statements, the Committee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- state whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Committee are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society, and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), and the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Azets Audit Services will be proposed for reappointment at the Annual General Meeting in accordance with section 44(1)(C) of the Charities and Trustee Investment (Scotland) Act 2005.

By order of the committee




Secretary

Dated: 16 March 2022

Opinion

We have audited the financial statements of The Abbeyfield Glasgow Society Limited (the 'Society') for the year ended 30 September 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Society's affairs as at 30 September 2021 and of 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 requirements of The Co-operative & Community Benefit Societies Act 2014, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to Note 2 to the financial statements which explains that the Executive Committee has ceased the operations of the Society. The Executive Committee approved the winding up of the Society in April 2021 and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 2.

Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. The Executive Committee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD GLASGOW SOCIETY LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Society and its environment obtained in the course of the audit, we have not identified material misstatements in the Executive Committee's Report.

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Chairman's Report or the Executive Committee's Report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Executive Committee

As explained more fully in the Executive Committee's responsibilities statement set out on page 5, the Executive Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the Society, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide

Auditor's responsibilities for the audit of the financial statements (continued)

a basis for our opinion. This includes consideration of the risk of acts by the Society that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Society through discussions with the Executive Committee and other management, and from our knowledge and experience of the sectors within which the Society operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Society, including The Co-operative & Community Benefit Societies Act 2014, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), Care Inspectorate requirements, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, regulators and the Society's legal advisors.

We assessed the susceptibility of the Society's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABBEYFIELD GLASGOW SOCIETY LIMITED

Use of our report

This report is made solely to the Society's members, as a body, in accordance with The Co-operative & Community Benefit Societies Act 2014, and Section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and to the Society's Executive Committee, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the Society's members, as a body, and the Society's Executive Committee, as a body, 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, the Society's members, as a body, and the Society's Executive Committee, as a body, for our audit work, for this report, or for the opinions we have formed.



Azets Audit Services

Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Chartered Accountants

Titanium 1

King's Inch Place

Renfrew

PA4 8WF

Dated: *22 March 2022*

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Unrestricted Funds £	Share Capital £	Designated Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Income from:							
Donations and legacies		-	-	-	-	-	28,137
Charitable activities:							
Residents' charges		245,293	-	-	-	245,293	646,059
Grant income		35,766	-	-	-	35,766	34,471
Investments		7,637	-	-	-	7,637	24,400
Total income		288,696	-	-	-	288,696	733,067
Expenditure on:							
Charitable activities	5	814,697	-	-	-	814,697	1,132,470
Investment management fees		3,787	-	-	-	3,787	3,073
Other expenditure	8	60,000	-	-	-	60,000	-
Total expenditure		878,484	-	-	-	878,484	1,135,543
Investment gains/(losses)	12	66,320	-	-	-	66,320	(96,145)
Net expenditure		(523,468)	-	-	-	(523,468)	(498,621)
Transfers between funds		44,595	-	(34,903)	(9,692)	-	-
Other recognised losses:							
Share capital movement	16	-	-	-	-	-	(1)
Net movement in funds		(478,873)	-	(34,903)	(9,692)	(523,468)	(498,622)
Reconciliation of funds:							
Funds brought forward at 1 October		890,020	11	34,903	9,692	934,626	1,433,248
Funds carried forward at 30 September		411,147	11	-	-	411,158	934,626

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure is derived from discontinued activities.


The notes on pages 13 to 23 form part of these financial statements

THE ABBEYFIELD GLASGOW SOCIETY LIMITED


**BALANCE SHEET
AS AT 30 SEPTEMBER 2021**

	Notes	2021 £	2020 £
Tangible fixed assets			
House properties	11	-	20,597
Fixtures and fittings	11	-	-
Investments (listed)	12	-	780,975
		<u>-</u>	<u>801,572</u>
Current assets			
Debtors	13	4,170	102,336
Cash at bank and in hand	14	416,586	84,784
		<u>420,756</u>	<u>187,120</u>
Creditors: amounts falling due within one year	15	(9,598)	(54,066)
Net current assets		<u>411,158</u>	<u>133,054</u>
Total assets less current liabilities		<u>411,158</u>	<u>934,626</u>
Funds			
Share capital	16	11	11
Restricted reserve	17	-	9,692
Accumulated surplus – unrestricted reserve	18	411,147	890,020
Designated reserves	19	-	34,903
		<u>411,158</u>	<u>934,626</u>

The financial statements were authorised for issue by the Executive Committee on 16/3/22 and were signed on its behalf by:

  Chairman

  - Secretary

  - Treasurer

The notes on pages 13 to 23 form part of these financial statements.

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Net (expenditure) for the year	(523,468)	(498,621)
Adjustments for:		
Depreciation	20,597	66,068
Impairment	-	106,884
(Gain)/ loss on investments	(66,320)	96,145
Decrease in debtors	98,166	63,286
(Decrease)/ increase in creditors	(44,468)	18,457
Dividends and interest from investments	(7,637)	(24,400)
Net cash used in operating activities	<u>(523,130)</u>	<u>(172,181)</u>
Cash flows from investing activities		
Dividends and interest from investments	7,637	24,400
Payment to acquire tangible fixed assets	-	(31,898)
Proceeds from sale of investments	860,295	139,302
Purchase of investments	(13,000)	(140,566)
Net cash provided by/ (used in) investing activities	<u>854,932</u>	<u>(8,762)</u>
Cash flows from financing activities		
Redemption of share capital	-	(1)
Change in cash and cash equivalents in the year	<u>331,802</u>	<u>(180,944)</u>
Cash and cash equivalents at 1 October	<u>84,784</u>	<u>265,728</u>
Cash and cash equivalents at 30 September	<u><u>416,586</u></u>	<u><u>84,784</u></u>
Cash and cash equivalents consist of:		
Cash at bank and in hand	416,586	84,784
Bank overdraft	-	-
	<u><u>416,586</u></u>	<u><u>84,784</u></u>

Analysis of changes in Net Debt

	At 1 October 2020	Cash flows	At 30 September 2021
	£	£	£
Cash at bank and in hand	<u>84,784</u>	<u>331,802</u>	<u><u>416,586</u></u>

1. General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the Society's transactions are denominated. They comprise the financial statements of The Abbeyfield Glasgow Society Limited.

The principal objective of the Society was the provision of care and companionship for elderly people who are no longer willing or able to live alone.

In January 2021, the Executive Committee took the decision to close the operations of the Society, and the closure was completed by April 2021. The Executive Committee are going through a process of inviting applications for the Society's excess funds from likeminded charities in accordance with the Society's rules and thereafter the Executive Committee will seek approval from the shareholders and the relevant regulatory authorities to wind up the Society.

The Abbeyfield Glasgow Society Limited is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC005661. In May 1976 it was registered as an Industrial & Provident Society and is now registered under The Co-operative & Community Benefit Societies Act 2014. Details of the registered office and registration number can be found on page 4 of these financial statements.

2. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Co-operative and Community Benefit Societies Act 2014.

The Abbeyfield Glasgow Society Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Executive Committee to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the Society's financial statements unless otherwise stated.

2. Accounting policies (continued)

Going concern

In January 2021, the Executive Committee took the decision to close the operations of the Society, and the closure was completed by April 2021. The Executive Committee are going through a process of inviting applications for the Society's excess funds from likeminded charities in accordance with the Society's rules and thereafter the Executive Committee will seek approval from the shareholders and the relevant regulatory authorities to wind up the Society. The financial statements have therefore been prepared on a basis other than that of the going concern basis.

Income recognition

All income is included in the Statement of Financial Activities when the Society is entitled to the income, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

Income from legacies

Income from legacies are credited to the Statement of Financial Activities on an accruals basis when the income can be measured and it is probable that the Society will receive the income.

Charitable income - residents' charges

Residents' charges represent services rendered to residents in respect of rent. All income is included within the Statement of Financial Activities when they are receivable, provided that conditions for receipt have been complied with and that they do not relate to a specified future period, in which case they are deferred.

Income from grants

Income from government and other grants are recognised when the Society has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Investment income

Interest and investment income is included within the Statement of Financial Activities when receivable by the Society.

Expenditure recognition

Expenditure is recognised on an accrual basis once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure - charitable activities

Charitable expenditure comprises those costs incurred by the Society in the delivery of its charitable activities and services.

Allocation of support and governance costs

Support and governance costs have been allocated to charitable activities on the basis of resources used. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources (note 6).

Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

2. Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and impairment charges. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold buildings	Term of lease
Fixtures and fittings	20% straight line

Debtors

Short term debtors are measured at transaction price, less any impairment. Trade debtors and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash and cash equivalents

Cash at bank and in hand includes cash on hand and balances held with banks with a short maturity. Deposits are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Creditors are recognised where the Society has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The Society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Unrestricted funds

Unrestricted funds comprise those funds which the Society is free to use for any purpose in furtherance of the charitable objectives.

Designated funds

a) Cyclical repairs

This reserve is based on the Society's policy to provide on a continuing basis for major recurring repairs and maintenance of its properties.

b) Development reserve

In order to provide for major re-development and improvements to the existing house, replacement of furnishings and purchase of additional houses and because public funds may not be available by way of grants in the future, the Society considers annually if a transfer of funds is required from unrestricted reserves to build up the development reserve.

c) Capital

This reserve was created in 1978 for the purpose of being used for capital equipment. This reserve is reviewed annually and is being released over a 5 year term.

2. Accounting policies (continued)

Restricted funds

This reserve was created upon completion of the Springburn House in order to earmark funds to cover the cost of the building's depreciation. This reserve is amortised annually over the remaining useful life of the lease held by the Society on the House.

3. Judgements in applying policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Executive Committee is satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied in determining the depreciation rates which have been deemed to be appropriate for the class of asset and the recoverable amount and therefore the impairment loss where tangible fixed assets are deemed to be impaired. Further sources of estimation have been applied in determining the appropriate level of bad debt provision for debtors based on anticipated receipts.

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

4. Comparative Statement of Financial Activities for the year ended 30 September 2020

	<i>Unrestricted Funds £</i>	<i>Share Capital £</i>	<i>Designated Funds £</i>	<i>Restricted Funds £</i>	<i>2020 Total Funds £</i>
Income from:					
Donations and legacies	28,137	-	-	-	28,137
Charitable activities:					
Residents' charges	649,059	-	-	-	649,059
Grant income	34,471	-	-	-	34,471
Investments	24,400	-	-	-	24,400
Total income	<u>733,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>733,067</u>
Expenditure on:					
Charitable activities	1,132,470	-	-	-	1,132,470
Investment management fees	3,073	-	-	-	3,073
Total expenditure	<u>1,135,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,135,543</u>
Investment (losses)	(96,145)	-	-	-	(96,145)
Net expenditure	<u>(498,621)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(498,621)</u>
Transfers between funds	929,340	-	(909,960)	(19,380)	-
Other recognised gains:					
Share capital movement	-	(1)	-	-	(1)
Net movement in funds	<u>430,719</u>	<u>(1)</u>	<u>(909,960)</u>	<u>(19,380)</u>	<u>(498,622)</u>

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

5. Costs of charitable activities

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Staff costs	650,839	-	-	650,839	761,812
Food	13,087	-	-	13,087	31,783
Cleaning	14,035	-	-	14,035	20,567
Uniforms	175	-	-	175	2,107
Staff training	960	-	-	960	2,632
Activities	1,127	-	-	1,127	7,216
Depreciation (note 9)	20,597	-	-	20,597	66,068
Impairment (note 9)	-	-	-	-	106,884
Property costs	79,400	-	-	79,400	86,622
Support costs (note 6)	19,341	-	-	19,341	38,105
Governance costs (note 7)	15,136	-	-	15,136	8,674
	<u>814,697</u>	<u>-</u>	<u>-</u>	<u>814,697</u>	<u>1,132,470</u>

6. Support costs

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Insurance	6,390	-	-	6,390	8,457
Telephone and internet charges	2,948	-	-	2,948	5,493
Postage and stationery	1,819	-	-	1,819	4,383
Recruitment costs	260	-	-	260	319
Membership fee					
Abbeyfield	1,288	-	-	1,288	2,566
Care Inspectorate fee	1,570	-	-	1,570	3,140
Subscriptions and donations	35	-	-	35	35
HR & H&S outsourcing	3,378	-	-	3,378	4,860
Sundry expenses	1,105	-	-	1,105	4,333
Travel expenses	548	-	-	548	1,097
Bad debts	-	-	-	-	3,422
	<u>19,341</u>	<u>-</u>	<u>-</u>	<u>19,341</u>	<u>38,105</u>

7. Governance costs

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Audit fee	11,291	-	-	11,291	8,216
Professional fees	3,845	-	-	3,845	458
	<u>15,136</u>	<u>-</u>	<u>-</u>	<u>15,136</u>	<u>8,674</u>

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

8. Other expenditure	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Grant paid out of surplus funds to Abbeyfield Ballachulish Society Ltd	60,000	-	-	60,000	-

The grant paid was a contribution to a project to expand the premises at Abbeyfield Ballachulish Society Ltd.

9. Net expenditure for the year

The net expenditure for the year is stated after charging:	2021 £	2020 £
Depreciation of fixed assets	20,597	66,068
Impairment of fixed assets	-	106,884
Auditor's remuneration	11,291	8,216

10. Staff costs

	2021 £	2020 £
The aggregate payroll costs were:		
Wages and salaries	570,479	550,660
Social security costs	20,605	40,795
Pension costs	4,626	7,845
Agency staff costs	85,129	162,512
	650,839	761,812

The average number of staff employed by the Society during the period to 16 April 2021 when all staff were made redundant amounted to:

	Number	Number
Management	3	3
Care staff	14	17
Kitchen and domestic staff	7	8
Bank staff	1	1
	25	29

26 (2020: none) members of staff were made redundant during the year. Total redundancy payments made including payment in lieu of notice was £256,889 (2020: £nil). The accounting policy is to recognise termination payment liabilities on communication of intention to pay and when quantifiable. Such payments are accounted for as staff costs.

Key management personnel are considered to be the Executive Committee of the Society. No members of the Executive Committee received any remuneration for their services provided to the Society in the year (2020: £nil).

No reimbursed expenses for committee members were made in the year (2020: £nil).

No employee earned remuneration greater than £60,000 in the year (2020: none).

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

11. Fixed Assets	Leasehold Property £	Fixtures & Fittings £	Total £
Cost			
At 1 October 2020	224,937	221,253	446,190
Disposals	(224,937)	(221,253)	(446,190)
At 30 September 2021	-	-	-
Depreciation			
At 1 October 2020	204,340	221,253	425,593
Depreciation for year	20,597	-	20,597
Eliminated on disposal	(224,937)	(221,253)	(446,190)
At 30 September 2021	-	-	-
Net Book Value			
At 30 September 2021	-	-	-
At 30 September 2020	20,597	-	20,597

12. Investments	2021 £	2020 £
Fixed asset Investments		
Market value at 1 October	780,975	875,856
Additions	13,000	140,566
Disposals	(860,295)	(139,302)
Net gain/(loss) on revaluation at 30 September	66,320	(96,145)
Market value at 30 September	-	780,975
Historical cost at 30 September	-	690,576

All investments were sold during the year.

All investments were direct investments in listed securities.

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

13. Debtors	2021 £	2020 £
Prepayments	3,418	16,968
Residential charges	752	72,583
Rent in advance	-	12,785
	4,170	102,336

During the year ended 30 September 2022, the Society entered into negotiations for a lease agreement with North Glasgow Housing Association Limited. The Society paid rent to the Association during the year ending 30 September 2022 totalling £257,358. This has been recorded within the accounts as a debtor and has been released to the Statement of Financial Activities over the term of the lease.

14. Cash and cash equivalents	2021 £	2020 £
Cash at bank and in hand	416,586	84,784
	416,586	84,784

15. Creditors: amounts falling due within one year	2021 £	2020 £
Accrued charges	9,598	15,633
Trade creditors	-	38,433
	9,598	54,066

16. Share capital	2021 £	2020 £
Shares of £1 each issued and fully paid		
At 1 October	11	12
Added in the year	-	-
Redeemed in the year	-	(1)
At 30 September	11	11

The society has no fixed authorised share capital.

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

17. Restricted reserves	2021 £	2020 £
At 1 October	9,692	29,072
Transfer out to unrestricted reserves	(9,692)	(19,380)
At 30 September	<u>-</u>	<u>9,692</u>

This reserve was amortised annually over the remaining useful life of the lease held by the Society on Springburn House.

18. Accumulated surplus – unrestricted reserve	2021 £	2020 £
At 1 October	890,020	459,301
Net expenditure for year (excluding investment gains/(losses))	(589,788)	(402,476)
Investment gains/(losses)	66,320	(96,145)
Transfer in from restricted reserves	9,692	19,380
Transfer in from designated reserves	34,903	34,901
Transfer in from development reserve	-	866,399
Transfer in from cyclical repairs reserve	-	8,660
At 30 September	<u>411,147</u>	<u>890,020</u>

19. Designated Reserves	Opening balance £	Transfer out £	Transfer in £	Closing balance £
2021				
Capital	34,903	(34,903)	-	-
	<u>34,903</u>	<u>(34,903)</u>	<u>-</u>	<u>-</u>
2020	<i>Opening balance £</i>	<i>Transfer out £</i>	<i>Transfer in £</i>	<i>Closing balance £</i>
Cyclical repairs	8,660	(8,660)	-	-
Development reserve	866,399	(866,399)	-	-
Capital	69,804	(34,901)	-	34,903
	<u>944,863</u>	<u>(909,960)</u>	<u>-</u>	<u>34,903</u>

The capital reserve was being released straight line over 5 years, during the year to 30 September 2021 £34,903 (2020: £34,901) was transferred to unrestricted reserves.

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

20. Analysis of Net Assets

2021	Share Capital £	Restricted Reserve £	Unrestricted Reserve £	Designated Reserve £	Total £
Tangible fixed assets	-	-	-	-	-
Fixed asset investments	-	-	-	-	-
Cash at bank	11	-	416,575	-	416,586
Other net current assets	-	-	(5,428)	-	(5,428)
	<u>11</u>	<u>-</u>	<u>411,147</u>	<u>-</u>	<u>411,158</u>
	<u>11</u>	<u>-</u>	<u>411,147</u>	<u>-</u>	<u>411,158</u>
2020	Share Capital £	Restricted Reserve £	Unrestricted Reserve £	Designated Reserve £	Total £
Tangible fixed assets	-	9,692	10,905	-	20,597
Fixed asset investments	-	-	746,072	34,903	780,975
Cash at bank	11	-	84,773	-	84,784
Other net current assets	-	-	48,270	-	48,270
	<u>11</u>	<u>9,692</u>	<u>890,020</u>	<u>34,903</u>	<u>934,626</u>
	<u>11</u>	<u>9,692</u>	<u>890,020</u>	<u>34,903</u>	<u>934,626</u>

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

**INCOME AND EXPENDITURE ACCOUNT (CONT'D)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021 £	2020 £
Operating deficit	(633,191)	(489,484)
Other income:		
Investment income	7,637	24,400
Grant income	35,766	34,471
Donations and legacies	-	28,137
	<u>43,403</u>	<u>87,008</u>
Deficit before revaluation of investments	(589,788)	(402,476)
Gain/(loss) on revaluation of investments	<u>66,320</u>	<u>(96,145)</u>
Net deficit for year	<u>(523,468)</u>	<u>(498,621)</u>
Occupancy percentage	<u>34.2%</u>	<u>93.5%</u>

The Society has no recognised gains and losses other than those included in the deficit above.

THE ABBEYFIELD GLASGOW SOCIETY LIMITED

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021 £	2020 £
Income:		
Residents' charges	245,293	646,059
Expenditure:		
Salaries and wages	561,084	591,455
Pension costs	4,626	7,845
Agency costs	85,129	162,512
Total staff costs	650,839	761,812
Other direct costs:		
Food	13,087	31,783
Cleaning	14,035	20,567
Uniforms	175	2,107
Staff training	960	2,632
Activities	1,127	7,216
	29,384	64,305
Grants paid out of excess funds:		
Grant paid to Abbeyfield Ballachulish Society Ltd	60,000	-
Property costs:		
Repairs & maintenance	49,154	47,126
Lease premium release	12,785	12,781
Heat & light	15,377	21,894
Water charges	2,084	4,821
Depreciation - Property	20,597	20,595
Depreciation - Fixtures & fittings	-	45,473
Impairment of fixed assets	-	106,884
	99,997	259,574
Management expenses:		
Insurance	6,390	8,457
Telephone and internet charges	2,948	5,493
Postage and stationery	1,819	4,383
Recruitment costs	260	319
Membership fee Abbeyfield	1,288	2,566
Care Inspectorate fee	1,570	3,140
Subscriptions and donations	35	35
Auditor's remuneration	11,291	8,216
Legal and professional fees	3,845	458
HR & H&S outsourcing	3,378	4,860
Sundry expenses	1,105	4,333
Travel expenses	548	1,097
Bad debts	-	3,422
Bank and investment charges	3,787	3,073
	38,264	49,852
Total expenditure	878,482	1,135,543