

Charity Number: SC016446
Financial Conduct Authority No. 1903R(S)

THE ABBEYFIELD STEWARTRY SOCIETY LIMITED

FINANCIAL STATEMENTS

For the year ended 30 September 2024



THE ABBEYFIELD STEWARTRY SOCIETY LIMITED

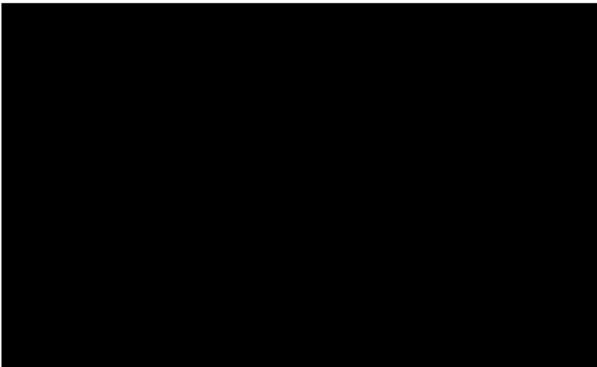
REPORT of the EXECUTIVE COMMITTEE

For the year ended 30 September 2024

The Executive Committee presents its report and audited financial statements for the year ended 30 September 2024.

Reference and Administrative Information

Executive Committee



Senior Management Team

Registered and operational address

Administration Unit
Bothwell House
72 St Andrew Street
Castle Douglas
DG7 1EN

Auditor

CT Audit Limited
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Solicitors

Cavers & Co
40/42 St Mary Street
Kirkcudbright
DG6 4DN

Bankers

Bank of Scotland
192 King Street
Castle Douglas
DG7 1DB

Charity Number

SC016446

Financial Conduct Authority Number

1903R(S)

THE ABBEYFIELD STEWARTRY SOCIETY LIMITED

REPORT of the EXECUTIVE COMMITTEE (Continued)

For the year ended 30 September 2024

Objectives and Activities

The Society's Objectives

To carry out for the benefit of the community the provision and management of Housing, Accommodation and assistance for the relief and care of elderly persons suffering from the disabilities of old age or otherwise being in need and in furtherance of the objects the Society may: -

- provide and maintain or assist in providing and maintaining houses and homes for such elderly persons; and
- provide or assist in providing amenities or services for the benefit of such elderly persons.

The Society remains affiliated to The Abbeyfield Society and The Abbeyfield Societies in Scotland Ltd.

The Provision and Management

The Society currently provides Housing Accommodation in two locations (Castle Douglas and Kirkcudbright) in 22 units, 18 of which are designated for single use and 4 suitable for couples. In practice, these 4 rooms have single occupancy at a slightly higher rental than the other 18.

Achievements and Performance

The annual informal review of services with our residents and sponsors has confirmed once again the very high level of satisfaction being provided in both houses. This is reflected in the demand for the Society's services continuing at its highest level for a number of years with all rooms occupied and an active waiting list. In addition, a recent unannounced inspection by the Care Inspectorate resulted in a "very good" rating in the areas covered during their visit. Given the difficulties experienced elsewhere in the care sector, this was a very pleasing outcome.

Mandatory training has been provided at the required levels and non-mandatory training for some or all staff has been provided where there has been a clearly defined benefit to the quality of our services.

Friends and other volunteers underpin the work of the Society by providing social and pastoral support to residents by visiting, organising outings and in-house events in liaison and co-operation with the Society's staff. These activities are returning to normal after being severely limited by Covid regulations.

Following the successful registration in April 2017 for the provision of a Care at Home service for the Society's residents, this valuable additional service continues to be appreciated by the Society's residents and provides a significant contribution to the annual finances. At the end of September 2024, this service was being provided by our own staff to thirteen residents and one non-resident.

Financial Review

The Executive Committee continued to review and monitor closely the financial performance of the Society taking account of the monthly income and expenditure data for each house and the Care at Home service as well as regularly considering the best investment options for the capital reserves.

Total income for the year of £1,599,045 was considerably higher than budgeted and higher than the previous year due mainly to the receipt of two donations and the major tranche of a legacy from a much loved and respected former resident totalling £877,249. Excluding these items gives operating income of £721,796, higher than budgeted as a result of higher interest income following a restructuring of the Society's investments. Expenditure of £703,577 was greater than the budget set at the beginning of the financial year. This overspend was primarily the result of higher staff and food costs. This all resulted in an operating surplus of £18,219, and an overall surplus of £895,468.

THE ABBEYFIELD STEWARTRY SOCIETY LIMITED

REPORT of the EXECUTIVE COMMITTEE (Continued)

For the year ended 30 September 2024

Financial Review (Continued)

Reserves at the year-end amounted to £2,238,798 of which £357,165 were restricted, and £1,000,000 designated, leaving unrestricted general funds of £881,593. Of the total unrestricted general funds, £288,481 could only be realised by the disposal of fixed assets.

The Executive Committee has reviewed the current carrying values of the charity's two properties and has decided that no material adjustments are necessary.

The Committee considers that the value of the support provided by the Friends and volunteers cannot be quantified, and accordingly no amounts have been included in the financial statements.

Investment Policy

The funds of the Society may be invested by the Executive Committee in accordance with the rules. Currently a conservative investment policy is followed with surplus cash placed on deposit to secure appropriate levels of return balanced with future need to access funds. To improve the return on investments the Society has moved a proportion of its sight deposits to higher yielding term deposits not exceeding 18 months without adversely affecting the need for liquid funds.

Reserves Policy and Going Concern

The Society aims to maintain general reserves to an amount close to the annual turnover, and to build up, over a period of time, a designated reserve for future capital projects. Having considered the existing reserves and cash held by the Society, together with the continuity of key income streams, the Committee is satisfied that the charity remains a going concern.

Risk Management

The Executive Committee conducts, throughout the year, regular reviews of the major risks to which the charity is exposed. Where appropriate, systems have been established to mitigate the risks the charity faces including procedures for authorisation of all transactions and projects, and for ensuring compliance with health and safety of residents, staff, volunteers, as well as visitors to the houses.

The main financial risk currently identified in the previous year was the possible loss of Supporting People funding. This funding is subject to a six monthly review with Dumfries and Galloway Council. The likelihood of losing this funding is not currently considered high. In fact, the Society received an increased amount of contracted funding in 2023/2024 and has assumed the same amount for 2024/2025.

The financial risk from voids continues to be significantly lower than in previous years as the Society currently has a strong and active waiting list, reflected in the current low levels of voids. The Management team continues to maintain close links with Social Services, the Primary Health Care Team, and other professionals together with ongoing passive (word of mouth) and pro-active publicity and marketing.

Noncompliance risk is reduced by subscribing to the Employment Law and Health & Safety service provided to the Society by Citation Ltd.

Plans for Future Periods

The Strategy Committee continued to meet regularly throughout the year to consider the strategic options for the Society.

The Executive Committee agreed at its meeting on 6 July 2022 to proceed with plans to develop a third unit. One site in the Stewartry met a significant number of the key elements required to meet our specification based on the Society's Bothwell House in Castle Douglas.

THE ABBEYFIELD STEWARTRY SOCIETY LIMITED

REPORT of the EXECUTIVE COMMITTEE (Continued)

For the year ended 30 September 2024

Plans for Future Periods (continued)

Negotiations with the site owner have reached a broad understanding and it is anticipated that a conditional agreement to purchase will now be concluded in early 2025.

Contact with a range of local and national bodies has produced a high level of support in principle to the Society's expansion plans. More detailed discussions will follow the conclusion of the purchase agreement.

Structure, Governance and Management

Governing Document

The Society is a registered Scottish Charity, reference number SC016446 and a registered society under the provisions of the Co-operative and Community Benefit Societies Act 2014, registered number 1903R(s). The Society is governed by its Rules which were updated in August 2015. The Society remains affiliated to The Abbeyfield Society and The Abbeyfield Societies in Scotland Ltd.

Recruitment and Appointment of the Executive Committee

The members of the Executive Committee are also charity trustees for the purposes of charity law and under the Society's Rules. Under the requirements of the Rules of the Society one third of members of the Executive Committee shall retire but are eligible for re-election at the next Annual General Meeting.

██████████ retire by rotation in 2025 and are eligible for re-election. During the year ██████████ resigned as Trustees of the Society. The Committee wishes to record its sincere thanks for their contributions to the ongoing development of the Society during their terms in office. The Executive Committee continues to actively seek to strengthen the Board with the appointment of additional Trustees.

The Executive Committee seeks to ensure that the achievement of the aims and objectives of the Society is appropriately reflected through the diversity of the trustee body. Local persons known to have the relevant experience and qualifications are approached and invited to consider becoming a volunteer Trustee. There is currently a need to strengthen the Executive Committee to plan for succession in key areas and to oversee the development of a third property.

Trustee Induction and Training

Trustees are appointed in accordance with the rules by nomination and election at the Annual General Meeting. Prior to appointment prospective Trustees are given a comprehensive induction pack which provides them with substantial background information on Abbeyfield in general and the Stewartry Society in particular, as well as meeting with the Chairman and other Executive Committee Members prior to making a tour of the houses to meet residents and staff. Following appointment, Trustees may attend relevant seminars, conferences and training sessions offered by, inter alia, Legislative bodies, the Local Authority, the Scottish Government, the local Council for Volunteer Services and Scottish Care as well as The Abbeyfield Society and Abbeyfield Societies in Scotland.

Organisational Structure

The Executive Committee meets at least quarterly and is responsible for the principal operational, strategic direction and policy matters arising in connection with the Society's affairs. At present the Committee has six members from a variety of professional backgrounds relevant to the work of the charity. Each member of the Executive Committee holds one fully paid share of £1 in the Society. The Operations Manager and Business Administrators attend meetings of the Committee; they hold no interest in the share capital and have no voting rights.

The Operations Manager (who is the Care Inspectorate Registered Manager) has responsibility for ensuring that the charity delivers the services specified to the residents by overseeing the day to day operational management of the houses, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

The Business Administrators are responsible for ensuring compliance with relevant legislation, financial management and administrative support for the Executive Committee.

THE ABBEYFIELD STEWARTRY SOCIETY LIMITED

REPORT of the EXECUTIVE COMMITTEE (Continued)

For the year ended 30 September 2024

Key Management Personnel

The Executive Committee consider that the Committee, Operations Manager and the two Business Administrators comprise the key management personnel of the charity.

No Committee member received any remuneration in the current or prior year. Details of Committee expenses and the total remuneration of the key management personnel are disclosed in Notes 5 and 14 of the financial statements.

The Society has established a Remuneration Committee comprising the Chairman, Hon Treasurer and [REDACTED] to advise the Executive Committee on all aspects of remuneration policy. The Society has adopted the minimum wage as advised by the Scottish Government for the care sector in Scotland as the base line for determining the wage structure for all staff. The aim of the remuneration policy is to remain competitive within the Stewartry area and to provide first class working conditions to attract and retain a high quality staff complement. The Society has registered for the Scottish Government's Fair Work Agenda and a Living Wage Employer.

Responsibilities of the Executive Committee

The Executive Committee are responsible for preparing the Report of the Executive Committee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Executive Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Executive Committee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102) (second edition – October 2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

THE ABBEYFIELD STEWARTRY SOCIETY LIMITED

REPORT of the EXECUTIVE COMMITTEE (Continued)

For the year ended 30 September 2024

Statement of disclosure of information to auditors

The Executive Committee and executive officers who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Executive Committee and executive officers have confirmed that they have taken all the steps that they ought to have taken as Committee members and executive officers in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Signed on behalf of the Executive Committee



Chairman



Hon. Secretary

Date: 21 January 2025

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
EXECUTIVE COMMITTEE OF THE ABBEYFIELD STEWARTRY SOCIETY
LIMITED**

CT:

Opinion

We have audited the financial statements of The Abbeyfield Stewartry Society Limited (the 'charity') for the year ended 30 September 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 30 September 2024 and of its incoming resources and application of resources 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 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other 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 opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Executive Committee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Executive Committee are responsible for the other information. The other information comprises the information included in the Report of the Executive Committee other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
EXECUTIVE COMMITTEE OF THE ABBEYFIELD STEWARTRY SOCIETY
LIMITED (Continued)**

Matters on which we are required to report by exception

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

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

- adequate and proper accounting records have not been kept, 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
- we have not received all the information and explanations we require for our audit; or

Respective responsibilities of Executive Committee

As explained more fully in the Executive Committee's responsibilities statement on page 5, the Executive Committee are responsible for the preparation of the financial statements which 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 are responsible for assessing the charity'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 trustees either intend to liquidate the charity 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 auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with regulations made under that Act.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. We focused on laws and regulations that could give rise to a material misstatement in the charity's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of key management personnel and the directors;
- review of minutes of Executive Committee meetings throughout the period;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
EXECUTIVE COMMITTEE OF THE ABBEYFIELD STEWARTRY SOCIETY
LIMITED (Continued)**

CT:

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

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

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.

Use of our report

This report is made solely to the Executive Committee, 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 Executive Committee 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 charity and the Executive Committee as a body, for our audit work, for this report, or for the opinions we have formed.



CT Audit Limited
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Date: 05 February 2025

CT Audit Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE ABBEYFIELD STEWARTRY SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 September 2024

	Notes	Un- restricted Funds £	Restricted Funds £	Total Funds 2024 £	Un- restricted Funds £	Restricted Funds £	Total Funds 2023 £
Income from:							
Donations and legacies	3	852,249	25,000	877,249	450	-	450
Charitable activities	4	700,745	-	700,745	652,009	-	652,009
Investments – bank interest receivable		21,051	-	21,051	5,882	-	5,882
Total income		<u>1,574,045</u>	<u>25,000</u>	<u>1,599,045</u>	<u>658,341</u>	<u>-</u>	<u>658,341</u>
Expenditure on:							
Charitable activities	6	690,057	13,520	703,577	621,516	13,520	635,036
Total expenditure		<u>690,057</u>	<u>13,520</u>	<u>703,577</u>	<u>621,516</u>	<u>13,520</u>	<u>635,036</u>
Net income/(expenditure) and net movement in funds		883,988	11,480	895,468	36,825	(13,520)	23,305
Funds brought forward	12	<u>997,645</u>	<u>345,685</u>	<u>1,343,330</u>	<u>960,820</u>	<u>359,205</u>	<u>1,320,025</u>
Total funds carried forward	12	<u>1,881,633</u>	<u>357,165</u>	<u>2,238,798</u>	<u>997,645</u>	<u>345,685</u>	<u>1,343,330</u>

The statement of financial activities includes all gains and losses recognised in the year.

All activities are continuing.

The notes on pages 13 to 21 form part of these financial statements

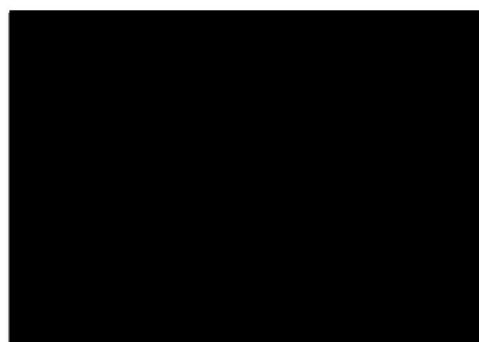
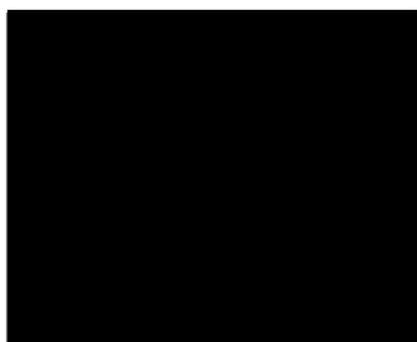
THE ABBEYFIELD STEWARTRY SOCIETY LIMITED

BALANCE SHEET

As at 30 September 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	8	614,597	657,787
		-----	-----
Current assets			
Debtors	9	20,878	4,919
Cash at bank and in hand - current		1,065,936	250,875
Cash at bank and in hand – term deposits		583,451	474,691
		-----	-----
		1,670,265	730,485
Creditors – amounts falling due within one year	10	(46,064)	(44,942)
		-----	-----
Net current assets		1,624,201	685,543
		-----	-----
Total assets less current liabilities		2,238,798	1,343,330
		-----	-----
Net assets		2,238,798	1,343,330
		=====	=====
Represented by:			
Share Capital	11	40	36
Unrestricted General Funds	12	881,593	977,609
Unrestricted Designated Funds	12	1,000,000	20,000
Restricted Funds	12	357,165	345,685
		-----	-----
		2,238,798	1,343,330
		=====	=====

Approved by the Executive Committee and signed on its behalf by:-



Date: 21 January 2025

The notes on pages 13 to 21 form part of these financial statements

THE ABBEYFIELD STEWARTRY SOCIETY LIMITED**STATEMENT OF CASHFLOWS****For the year ended 30 September 2024**

	Notes	2024 £	2023 £
Cash provided by operating activities	16	902,770	59,052
Cash flows from investing activities			
Bank interest received		21,051	5,882
Cash used in investing activities		21,051	5,882
Cash flows from financing activities			
Bank loan interest paid		-	(146)
Bank loan repayments		-	(11,765)
Cash used in financing activities		-	(11,911)
 Increase in cash and cash equivalents in the year		923,821	53,023
Cash and cash equivalents at the beginning of the year		725,566	672,543
Cash and cash equivalents at the end of the year		1,649,387	725,566
 Analysis of cash and cash equivalents			
Cash at bank – current accounts		1,065,936	250,875
Cash at bank – term deposits		583,451	474,691
		1,649,387	725,566
 Analysis of changes in net debt			
	At 1 October 2023 £	Cash Flows £	Non- Cash Changes £
Cash and cash equivalents			At 30 September 2024 £
Cash	725,566	923,821	-
	=====	=====	=====
			1,649,387
			=====

The notes on pages 13 to 21 form part of these financial statements

THE ABBEYFIELD STEWARTRY SOCIETY LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 30 September 2024

1. Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and with the Co-operative and Community Benefit Societies Act 2014.

The Abbeyfield Stewartry Society Limited meets the definition of a public benefit entity under FRS 102. The charity's functional and presentational currency is Sterling (GBP).

Going concern

The financial statements have been prepared on a going concern basis. The Executive Committee have assessed the Society's ability to continue as a going concern and have reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements and are satisfied that no material uncertainties exist in respect of going concern.

Significant judgements and estimation uncertainty

In the application of the Society's accounting policies, the Executive Committee are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for carrying amounts of tangible assets.

Resident fee income, donations, legacies and similar income

Donations and similar income are included in the year in which they are receivable, which is when the charity becomes entitled to the resource. Fee income from Supportive Houses and Supporting People funding is accounted for in the period to which it relates and becomes receivable.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be reliably measured by the charity; this is normally when upon notification of the interest paid or payable by the bank.

Grants receivable

Grants received, including capital grants, are reflected in the Statement of Financial Activities when relevant conditions for entitlement have been met, it is probable they will be received and the amounts can be reliably measured. Where donors specify that grants are for particular purposes, this income is included in income within restricted funds when receivable.

THE ABBEYFIELD STEWARTRY SOCIETY LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2024

1. Accounting policies (continued)

Housing Association Grants (HAG) and Other grants

HAG is made by the Scottish Government and is utilised to reduce the capital costs of approved schemes to an amount of required loan finance which it is estimated can be serviced by the net rental income of the scheme. The amount of HAG is calculated on qualifying costs of the scheme in accordance with instructions issued from time to time by the Scottish Government. In accordance with the FRS 102 Statement of Recommended Practice 2015 – Accounting and Reporting by Charities, grants receivable are recognised in the Statement of Financial Activities in full when the charity becomes entitled to them.

HAG and other grants are repayable under certain circumstances, primarily following sale of property, but will normally be restricted to net proceeds of sale.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of expenditure in the Statement of Financial Activities

- Costs of raising funds are those associated with generating income and charitable activities costs are those expended on meeting the charity's objectives.
- Charitable activities include expenditure associated with meeting the charity's primary objectives and include both the direct costs and the support costs relating to these activities. Certain costs have been split between direct charitable activities and support costs. Staff costs have been apportioned on the basis of time spent.
- Included within charitable activities are Governance costs. These are costs of a constitutional, strategic, or statutory nature with respect to the general running of the charity, rather than day to day management.

Fixed assets and Depreciation

All fixed assets over £2,000 are initially capitalised at cost.

Freehold land is not depreciated.

Freehold housing properties are depreciated by component on a straight-line basis over the estimated useful economic lives of component categories.

Useful economic lives for identified components are as follows:

Component	Useful economic life
Structure	80 years
Roof	50 years
Lift	20 years
Call and fire systems	20 years
Windows	20 years
Central heating and boilers	8-20 years
Kitchens	8-20 years
Bathrooms	8-25 years

Impairment is calculated as the difference between the carrying value of income generating units and the estimated value in use at the date an impairment loss is recognised. Value in use represents the net present value of expected future cash flows from these units. Any impairment of assets is recognised in the income and expenditure account.

Where work on existing housing properties is likely to enhance value by increasing the net rental stream over the life of the properties it is accounted for as an improvement and capitalised in note 8.

THE ABBEYFIELD STEWARTRY SOCIETY LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2024

1. Accounting policies (continued)

Fixed assets and Depreciation (continued)

Works on existing properties that are not regarded as enhancing their value are charged to the income and expenditure account.

Depreciation is provided on all non-housing tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Fixtures and fittings	over 10 years
Computer equipment	over 5 years

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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

Pension costs

All members of staff have the opportunity to contribute to a defined contribution stakeholders' pension scheme.

Taxation

The Society has charitable status for taxation purposes and there is no liability to corporation tax for the year.

2. Funds

Unrestricted funds may be used by the Society at its discretion to meet future expenditure. Restricted funds are the funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the grantor or donor or when funds are raised for particular restricted purposes. Designated funds are the funds set aside by the members of the Executive Committee out of the unrestricted general funds for specific future purposes and projects. The nature and purpose of each fund is explained in note 12.

3. Donations and legacies	Unrestricted	Restricted	Total 2024	Total 2023
	£	£	£	£
Donations received	1,401	25,000	26,401	450
Legacies received	850,848	-	850,848	-
	-----	-----	-----	-----
	852,249	25,000	877,249	450
	=====	=====	=====	=====

THE ABBEYFIELD STEWARTRY SOCIETY LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2024

4. Income from charitable activities	Unrestricted	Restricted	Total 2024	Total 2023
	£	£	£	£
Supportive houses	507,368	-	507,368	479,873
Care at home	123,720	-	123,720	106,024
Supporting people	69,657	-	69,657	66,112
	-----	-----	-----	-----
	700,745	-	700,745	652,009
	=====	=====	=====	=====

5. Information regarding employees	2024	2023
	£	£
Gross salary	407,219	384,693
Employers' national insurance contributions	28,633	26,385
Other staff costs	2,884	2,482
Pension contributions	8,940	8,506
	-----	-----
	447,676	422,066
	=====	=====
Average number of employees during the year	18	18
	=====	=====

No employee received emoluments in excess of £60,000 (2023: Nil).

The key management personnel of the Society comprise the Executive Committee, the Operations Manager, and the Business Administrators. The Executive Committee receive no remuneration. The total employee benefits of the other key management personnel of the Society during the year were £93,058 (2023: £87,392).

6. Charitable activities	Unrestricted	Restricted	2024	2023
	£	£	£	£
Direct charitable activities				
Staff costs	402,908	-	402,908	379,859
Food and consumables	47,883	-	47,883	46,233
Rates and water	6,977	-	6,977	6,710
Electricity and gas	42,583	-	42,583	24,188
	-----	-----	-----	-----
	500,351	-	500,351	456,990
	-----	-----	-----	-----
Support costs				
Staff costs	44,768	-	44,768	42,207
Routine maintenance	48,872	-	48,872	33,459
Garden upkeep	4,099	-	4,099	2,971
Insurance costs	10,046	-	10,046	9,570
Depreciation	29,670	13,520	43,190	44,794
Loan Interest and bank charges	25	-	25	146
Membership and affiliation fees	7,778	-	7,778	7,735
Telephone costs	5,795	-	5,795	5,982
Staff training	617	-	617	2,449
Other costs	21,656	-	21,656	18,713
Governance costs (see note 7)	16,380	-	16,380	10,020
	-----	-----	-----	-----
	189,706	13,520	203,226	178,046
	-----	-----	-----	-----
Total charitable activities	690,057	13,520	703,577	635,036
	=====	=====	=====	=====

THE ABBEYFIELD STEWARTRY SOCIETY LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2024

7. Governance costs	Unrestricted	Restricted	2024	2023
	£	£	£	£
Auditor's remuneration	4,380	-	4,380	4,170
Accountancy fees	4,380	-	4,380	4,170
Strategic consultancy fees	7,620	-	7,620	1,680
	-----	-----	-----	-----
	16,380	-	16,380	10,020
	=====	=====	=====	=====

8. Fixed assets	Housing properties held for letting	Fixtures, fittings & Equipment	Total
	£	£	£
Cost			
As at 1 October 2023 and 30 September 2024	2,119,788	80,436	2,200,224
	-----	-----	-----
Depreciation			
As at 1 October 2023	1,486,029	56,408	1,542,437
Charge for year	39,352	3,838	43,190
	-----	-----	-----
As at 30 September 2024	1,525,381	60,246	1,585,627
	-----	-----	-----
Net book value			
As at 30 September 2024	594,407	20,190	614,597
	=====	=====	=====
As at 30 September 2023	633,759	24,028	657,787
	=====	=====	=====

9. Debtors	2024	2023
	£	£
Prepayments	7,075	4,578
Accrued income	13,803	341
	-----	-----
	20,878	4,919
	=====	=====

THE ABBEYFIELD STEWARTRY SOCIETY LIMITED**NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 30 September 2024**

10. Creditors – amounts falling due within one year	2024	2023
	£	£
Prepaid residents' fees	19,343	18,616
Trade creditors	4,593	4,855
Accruals	11,729	9,200
Other creditors	2,314	2,308
Taxes and social security costs	8,085	9,963
	<u>46,064</u>	<u>44,942</u>
	=====	=====

11. Share Capital	2024	2023
	£	£
Non-equity shares of £1 each issued and fully paid:		
At 1 October 2023	36	36
Issued	5	-
Cancelled	(1)	-
	<u>40</u>	<u>36</u>
At 30 September 2024	=====	=====

12. Movement of funds

	Balance at 1 October 2023		Expend- iture		Balance at 30 September 2024
2024	£	Income	£	Transfers	£
Unrestricted funds					
Share Capital	36	5	(1)	-	40
General Fund	977,609	1,574,040	(690,056)	(980,000)	881,593
Designated Fund – Strathdee Roof	15,000	-	-	-	15,000
Designated Fund – Residents	5,000	-	-	-	5,000
Designated Fund – Third Property Development	-	-	-	980,000	980,000
	<u>997,645</u>	<u>1,574,045</u>	<u>(690,057)</u>	<u>-</u>	<u>1,881,633</u>
	=====	=====	=====	=====	=====
Restricted funds					
Scottish Executive					
- Bothwell House	258,709	-	(6,690)	-	252,019
Dumfries & Galloway Council - Strathdee	57,741	-	(5,393)	-	52,348
Bothwell Redevelopment Grants	15,781	-	(248)	-	15,533
James Logie Fund	10,132	-	(960)	-	9,172
Margery Marks Fund	3,322	-	(229)	-	3,093
Bothwell Fund	-	5,000	-	-	5,000
Third Property Development	-	20,000	-	-	20,000
	<u>345,685</u>	<u>25,000</u>	<u>(13,520)</u>	<u>-</u>	<u>357,165</u>
	=====	=====	=====	=====	=====

THE ABBEYFIELD STEWARTRY SOCIETY LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2024

12. Movement of funds

	Balance at 1 October 2022 £	Income £	Expend- iture £	Transfers £	Balance at 30 September 2023 £
2023					
Unrestricted funds					
Share Capital	36	-	-	-	36
General Fund	905,784	658,341	(621,516)	35,000	977,609
Designated Fund – Strathdee Roof	50,000	-	-	(35,000)	15,000
Designated Fund – Residents	5,000	-	-	-	5,000
	=====	=====	=====	=====	=====
General Fund and Share Capital	960,820	658,341	(621,516)	-	997,645
	=====	=====	=====	=====	=====
Restricted funds					
Scottish Executive					
- Bothwell House	265,399	-	(6,690)	-	258,709
Dumfries & Galloway					
Council - Strathdee	63,134	-	(5,393)	-	57,741
Bothwell Redevelopment					
Grants	16,029	-	(248)	-	15,781
James Logie Fund	11,092	-	(960)	-	10,132
Margery Marks Fund	3,551	-	(229)	-	3,322
	=====	=====	=====	=====	=====
	359,205	-	(13,520)	-	345,685
	=====	=====	=====	=====	=====

Designated funds

Strathdee roof

In anticipation of a high level of future maintenance of the Strathdee roof, the Executive Committee had previously agreed to allocate £50,000 of Unrestricted Funds to Designated Funds to cover future expenditure. Following a recent review which indicated much lower costs of work that may become necessary, the Committee agreed to reduce the amount designated to £15,000. It is still expected that major roof repairs will be required in the coming years, albeit it at a lower cost than anticipated.

Residents

During the year to 30 September 2018 the Society received a donation of £5,000 which the Executive Committee agreed to set aside for future expenditure for the specific benefit of the residents.

Third Property Development

The Executive Committee agreed to designate £1,000,000 towards the development of a third property which included the Legacy funds received during the year.

Restricted funds

Scottish Executive: Bothwell House

This fund represents the balance of the £947,810 accumulated Housing Association Grants ("HAG") received for the refurbishment of Bothwell House. The fund is allocated a share of the annual depreciation charge and any impairment charges for Bothwell House based upon the percentage of the total cost of the development funded by the HAG.

Dumfries & Galloway Council: Strathdee

This fund represents the balance of a £100,000 grant received for the refurbishment of Strathdee. The fund is allocated a share of the annual depreciation charge for Strathdee based upon the percentage of the total cost of the development funded by the grant.

THE ABBEYFIELD STEWARTRY SOCIETY LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2024

Bothwell Redevelopment Grants

This fund represents £35,000 of grants received from various benefactors who wished to contribute to the redevelopment works at Bothwell. The fund is allocated a share of the annual depreciation charge for Bothwell House based upon the percentage of the total cost of the development funded by the grants.

James Logie Fund

The James Logie fund relates to a legacy received during the year to 30 September 2015 which is restricted to Bothwell House. The Executive Committee have set aside these funds within this fund for spending on capital or special projects rather than general running costs.

Margery Marks Fund

The Margery Marks fund relates to a legacy received which is restricted to Strathdee House. The Executive Committee have set aside these funds for spending on capital or special projects rather than general running costs.

Bothwell Fund

During the year the charity received a donation from another Scottish registered charity for used by or for Bothwell House.

Third Property Development

A donation was received by the Society during the year for the purposes of expanding its provision of existing services by developing additional capacity in the local area.

13. Analysis of net assets between funds

2024	Fixed Assets £	Net Current Assets £	Non - Current Liabilities £	Total £
Unrestricted Funds (Share Capital and General Fund)	288,481	593,152	-	881,633
Unrestricted Designated Funds	-	1,000,000	-	1,000,000
Restricted Funds	326,116	31,049	-	357,165
	-----	-----	-----	-----
Total Net Assets	614,597	1,624,201	-	2,238,798
	=====	=====	=====	=====
2023	Fixed Assets £	Net Current Assets £	Non - Current Liabilities £	Total £
Unrestricted Funds (Share Capital and General Fund)	318,151	659,494	-	977,645
Unrestricted Designated Funds	-	20,000	-	20,000
Restricted Funds	339,636	6,049	-	345,685
	-----	-----	-----	-----
Total Net Assets	657,787	685,543	-	1,343,330
	=====	=====	=====	=====

THE ABBEYFIELD STEWARTRY SOCIETY LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 30 September 2024

14. Payments to members and committee members

No member of the Society received any fee or remuneration during the year (2023: £Nil). Expenses of £300 (2023: £240) were reimbursed to committee members in respect of travel, event and meeting costs.

15. Pension Scheme

The Society has an auto-enrolment compliant pension scheme in respect of employees. The total contributions paid in the year amounted to £8,940 (2023: £8,506).

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net movement in funds	895,468	23,305
Depreciation	43,190	44,794
Interest payable	-	146
Interest receivable	(21,051)	(5,882)
(Increase)/decrease in debtors	(15,959)	(354)
Increase/(decrease) in creditors	1,122	(2,957)
	-----	-----
Net cash provided by operating activities	902,770	59,052
	=====	=====

17. Related Party Transactions

During the year, the charity purchased joinery services from the husband of the Operations Manager amounting to £3,775 (2023: £812). The members of the Executive Committee are satisfied that all transactions were made at normal commercial business rates. There are no other related party transactions as defined by the Financial Reporting Standard 102.

18. Events subsequent to the year end

During the year to 30 September 2023, the Society had a conditional offer accepted by the seller of a plot of land for development by the charity.

It is anticipated that a conditional agreement to purchase will be concluded in early 2025