

Registered number: SC163918
Charity number: SCO08200

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

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GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

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GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2012**

Directors

Mr W Shearar
Mr R M Findlay
Mr N Fyfe
Mr J Gibson
Mr N Jack
Mr G Carlisle
Mrs L Kerr
Mrs L Muirhead
Mr J Park
Mr M Riddell

Company registered number

SC163918

Charity registered number

SCO08200

Registered office

7 Sandyford Place
Glasgow
G3 7NB

Company secretary

Mrs Sheena Glass

Auditors

French Duncan LLP
Chartered Accountants
Statutory Auditor
375 West George Street
Glasgow
G2 4LW

Bankers

Bank of Scotland
235 Sauchiehall Street
Glasgow
G2 3EY

Solicitors

Miller Beckett & Jackson
190 St Vincent Street
Glasgow
G2 5SP

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

The Directors present their annual report together with the audited financial statements of Glasgow Old People's Welfare Association (the company and the group) for the year ended 31 March 2012. The Directors confirm that the Annual Report and financial statements of the company and the group comply with the current statutory requirements, the requirements of the company and the group's constitution and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

• CONSTITUTION

The company and the group, which is a recognised charity in Scotland, is constituted under a Memorandum of Association dated 1 April 1996 and is a registered charity number SCO08200.

The Glasgow Old People's Welfare Association was initially founded in 1948 by resolution at a meeting at which a constitution was adopted. At the end of the 1996 financial year the organisation incorporated, becoming a company limited by guarantee at 1 April 1996. All the assets and liabilities of the Association were transferred to the company at that date.

• METHOD OF APPOINTMENT OR ELECTION OF DIRECTORS

The management of the company and the group is the responsibility of the Directors who are elected and co-opted under the terms of the Articles of Association.

• POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS

The Board of Directors seeks to recruit directors who have skills and knowledge that can contribute to the work of the charity. New directors are appointed by invitation from the Chairman and other board members.

In line with the guidelines and recommendations from the Office of Scottish Charity Regulator (OSCR) the Board of Directors has agreed that all Board members will undergo a basic Disclosure Scotland Criminal Records Check and that they will sign a Trustee Declaration verifying that they:

- are not disqualified from acting
- have read OSCR's Guidance on Trustees
- will avoid or declare conflicts of interest.

All new and existing directors are to undergo an induction process that will encompass two related areas:

1. That they are fully aware of the duties and responsibilities with which they have been entrusted to ensure the proper governance of the organisation.
2. That they are fully conversant with the work of the organisation, what its aims and objectives are and what its principal activities are. This should entail meetings with staff and visits to operational sites.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2012

• ORGANISATIONAL STRUCTURE AND DECISION MAKING

The directors who served during the year were:

Mr W Shearar
Mr R M Findlay
Mr N Fyfe
Mr J Gibson
Mr G Carlisle
Mr N Jack
Mrs L Kerr
Mrs L Muirhead
Mr J Park
Mr M Riddell

The directors of the company are also charity trustees for the purposes of charity law.

• RISK MANAGEMENT

The Directors have assessed the major risks to which the company and the group is exposed, in particular those related to the operations and finances of the company and the group, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Objectives and Activities

• POLICIES AND OBJECTIVES

The objectives of the company continue to be to promote the general welfare of elderly people in the City of Glasgow by initiating and carrying out schemes for that purpose, by assisting the work of the statutory authorities and voluntary organisations engaged in providing facilities for physical and mental recreation, furthering health, relieving poverty, distress or sickness and in pursuing any object having these ends in view, which may be deemed by law to be charitable.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2012

Achievements and performance

• REVIEW OF ACTIVITIES

The group results show an operating deficit of £64,589. The surplus for the previous year was £736,417, but this figure was distorted by the transfer of assets from Glasgow Old People's Flats Ltd and an exceptional amount in respect of the disposal of property. The operational surplus for the previous year after stripping out the effect of these two items was £59,918.

The deficit for the year to 31 March 2012 is largely attributable to a shortfall in donation income because of the recession and the fact that the previous year contained a sizeable legacy of £67,000. Income from Glasgow City Council has been maintained, and income from the GOPWIS covenant has increased by £14,000.

The day centres were affected by the recession and static local authority funding, but continue to work within their budgets, offering a full complement of services and working efficiently. Efforts continue to be made to achieve economies in purchasing of services.

It is always difficult to attract funding for Head Office tasks, despite the vital nature of the supervision and control which Head Office exercises, and the diverse and valued range of services which GOPWA provides. While Head Office salaries and other overhead costs fell by £30,000 in the year, this was more than offset by falls of £22,000 in revenue grants, £26,000 in trust grants and £70,000 in donations and legacies.

During the year the association opened a charity shop in Partick through its subsidiary Senior Citizens Scotland; this has started well and helps to promote the GOPWA's work by a presence on the High Street. £50,000 has been transferred from the Association's Development Fund to pay for property improvements and starting up costs.

The Association's properties have been revalued as at 31 March 2012 and the updated values are reflected in the accounts, resulting in a revaluation surplus of £447,000.

• INVESTMENT POLICY AND PERFORMANCE

In accordance with the Memorandum and Articles of Association the directors have the power to invest in such stocks and shares, investments and property in the UK as they see fit. At present surplus funds have been placed on bank deposit, and the directors will review the situation as required.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2012

Financial review

• RESERVES POLICY

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to approximately six month's expenditure. The directors consider that the reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. While the overall level of reserves at the year end may appear to be healthy, it must be remembered that much of the reserves are tied up in property or ringfenced for development, so that the level of "free" reserves equates to around four months expenditure, which is less than the desired level. The Association is committed to taking steps to ensure that the level of unrestricted reserves will not gradually be eaten away by future deficits, but will on the contrary be increased to the desired level.

£500,000 of capital arising from the sale of Henderson House in the year ended 31 March 2011 was set aside as a Development Fund, with the intention that the funds be used to support future development work and not to prop up operating deficits. During the year £50,000 of this capital has been used to set up the charity shop and the balance of £450,000 is earmarked for future development work.

• PRINCIPAL FUNDING

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

The directors continue to seek funding for all the Association's activities and especially those of its Head Office, but acknowledge that this is not an easy task. It is fundamental to ensure that the underlying trading position is sound, and the directors are committed to ensuring that this remains the case by continually reviewing operations and ensuring that economies once made are retained.

Ultimately the Association is heavily reliant on the goodwill and practical financial support of individuals and businesses in and around Glasgow.

Plans for the future

• FUTURE DEVELOPMENTS

The directors consider that they have a sound model for income generation and maximisation of funding together with careful control of costs. The principal aim of this strategy is to consolidate and build on the services currently provided with the aim of achieving centres of excellence at each Day Care Centre.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors (who are also directors of Glasgow Old People's Welfare Association for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

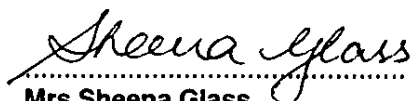
PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the charitable group's auditors in connection with preparing their report and to establish that the charitable group's auditors are aware of that information.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Directors on *30th August 2012* and signed on their behalf, by:


.....
Mrs Sheena Glass
Company Secretary

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

We have audited the financial statements of Glasgow Old People's Welfare Association for the year ended 31 March 2012 set out on pages 9 to 29. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2009) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's Directors, 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's Directors, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011 Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF GLASGOW OLD
PEOPLE'S WELFARE ASSOCIATION**

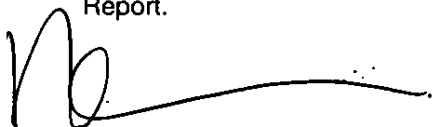
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the parent charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report.



Antony J Sinclair (Senior Statutory Auditor)

for and on behalf of

French Duncan LLP

Chartered Accountants
Statutory Auditor

375 West George Street
Glasgow
G2 4LW

Date: 31/08/2012

French Duncan LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Donations	2	26,238	32,963	59,201	72,973
Transfer of GOP Flats assets	2	-	-	-	570,301
Legacies	2	-	35,713	35,713	90,086
Other voluntary income	2	-	6,000	6,000	5,000
Activities for generating funds	3	-	162,899	162,899	136,653
Investment income	4	-	10,294	10,294	4,901
Incoming resources from charitable activities:					
Grants receivable and other income	5	91,001	620,739	711,740	737,596
Secretarial fees		-	15,000	15,000	20,000
Fundraising		-	28,111	28,111	52,457
GOPWIS income		-	109,333	109,333	115,222
GOP Flats income		-	45,029	45,029	45,972
Senior Citizens income		-	23,216	23,216	-
Other incoming resources	6	-	5,897	5,897	-
TOTAL INCOMING RESOURCES		117,239	1,095,194	1,212,433	1,851,161
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising expenses and other costs		-	19,093	19,093	22,026
Charitable activities:					
GOPWIS expenses	7	-	42,615	42,615	57,908
GOP Flats expenses		-	47,480	47,480	60,532
Senior Citizens expenses		-	37,880	37,880	-
Other costs of activities		91,001	1,014,197	1,105,198	1,059,680
Governance costs	8	-	24,756	24,756	20,796
TOTAL RESOURCES EXPENDED	10	91,001	1,186,021	1,277,022	1,220,942
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS					
		26,238	(90,827)	(64,589)	630,219

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (continued)
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2012

		Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
	Note				
Transfers between Funds	18	476,321	(476,321)	-	-
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE INVESTMENT ASSET DISPOSALS		502,559	(567,148)	(64,589)	630,219
Gains and losses on disposals of investment assets		-	-	-	106,198
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS		502,559	(567,148)	(64,589)	736,417
Gains and losses on revaluations of fixed assets for the charity's own use	13	31,250	534,500	565,750	-
NET MOVEMENT IN FUNDS FOR THE YEAR		533,809	(32,648)	501,161	736,417
<i>Total funds at 1 April 2011</i>		<i>39,704</i>	<i>1,437,018</i>	<i>1,476,722</i>	<i>740,305</i>
TOTAL FUNDS AT 31 MARCH 2012		573,513	1,404,370	1,977,883	1,476,722

The notes on pages 13 to 29 form part of these financial statements.

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2012**

		Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
	Note				
NET (EXPENDITURE)/INCOME FOR THE YEAR	18	502,559	(567,148)	(64,589)	736,417
Gains and losses on revaluations of fixed assets for the charity's own use		31,250	534,500	565,750	-
TOTAL GAINS AND LOSSES RECOGNISED SINCE 1 APRIL 2011	18	533,809	(32,648)	501,161	736,417

There is no difference between the income/(expenditure) on ordinary activities for the year stated above and its historical cost equivalent.

The notes on pages 13 to 29 form part of these financial statements.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION
REGISTERED NUMBER: SC163918


CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	13		1,472,878		882,880
Investments	14		450,000		-
			<u>1,922,878</u>		<u>882,880</u>
CURRENT ASSETS					
Debtors	15	64,084		46,439	
Cash at bank and in hand		89,831		617,538	
		<u>153,915</u>		<u>663,977</u>	
CREDITORS: amounts falling due within one year	16	(98,910)		(56,021)	
NET CURRENT ASSETS			<u>55,005</u>		<u>607,956</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,977,883</u>		<u>1,490,836</u>
CREDITORS: amounts falling due after more than one year	17		-		(14,114)
NET ASSETS			<u><u>1,977,883</u></u>		<u><u>1,476,722</u></u>
CHARITY FUNDS					
Restricted funds	18		573,513		39,704
Unrestricted funds	18		1,404,370		1,437,018
			<u><u>1,977,883</u></u>		<u><u>1,476,722</u></u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Directors on *30th August 2012* and signed on their behalf, by:


 Mr W Shearar, Chairman


 Mr J Gibson, Treasurer

The notes on pages 13 to 29 form part of these financial statements.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION
REGISTERED NUMBER: SC163918

COMPANY BALANCE SHEET
AS AT 31 MARCH 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	13		830,916		299,298
Investments	14		450,002		2
			<u>1,280,918</u>		<u>299,300</u>
CURRENT ASSETS					
Debtors	15	98,641		91,385	
Cash at bank		57,502		592,020	
		<u>156,143</u>		<u>683,405</u>	
CREDITORS: amounts falling due within one year	16	(84,014)		(59,373)	
NET CURRENT ASSETS			<u>72,129</u>		<u>624,032</u>
NET ASSETS			<u>1,353,047</u>		<u>923,332</u>
CHARITY FUNDS					
Restricted funds	18		12,564		39,704
Unrestricted funds	18		1,340,483		883,628
			<u>1,353,047</u>		<u>923,332</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Directors on 30 August 2012 and signed on their behalf, by:


 Mr W Shearar, Chairman


 Mr J Gibson, Treasurer

The notes on pages 13 to 29 form part of these financial statements.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

1.2 Company status

The company is a registered charity, limited by guarantee, and without share capital.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the company being notified of an impending distribution or the legacy being received.

Donations are credited to incoming resources when received.

Revenue grants are credited to the income and expenditure account and the statement of financial activities in the period that conditions for receipt have been complied with. Grants for capital expenditure are credited to the income and expenditure account over the useful lives of the assets concerned and credited in full to the statement of financial activities in the period that conditions for receipt have been complied with.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

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

1.6 Basis of consolidation

The financial statements consolidate the accounts of Glasgow Old People's Welfare Association and all of its subsidiary undertakings ('subsidiaries').

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Heritable Property	-	2% straight line
Leasehold improvements	-	10% straight line
Equipment	-	20% straight line
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	20% straight line
Property Improvements	-	10% straight line

1.8 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

1. ACCOUNTING POLICIES (continued)

1.9 Pensions

The company operates a defined benefits pension scheme, as further explained in note 21 to the accounts. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS17 'Retirement benefits', the company accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of Financial Activities represents contributions payable to the scheme in respect of the accounting period.

2. VOLUNTARY INCOME

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	<i>Total funds 2011 £</i>
Donations	26,238	32,963	59,201	72,973
Transfer of GOP Flats assets	-	-	-	570,301
Legacies	-	35,713	35,713	90,086
	<u>26,238</u>	<u>68,676</u>	<u>94,914</u>	<u>733,360</u>
Grants	-	6,000	6,000	5,000
Voluntary income	<u>26,238</u>	<u>74,676</u>	<u>100,914</u>	<u>738,360</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	<i>Total funds 2011 £</i>
Lunches & Catering	-	125,577	125,577	119,499
Rent received	-	19,720	19,720	17,154
General fundraising	-	17,602	17,602	-
	<u>-</u>	<u>162,899</u>	<u>162,899</u>	<u>136,653</u>

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

4. INVESTMENT INCOME

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Interest receivable	-	10,294	10,294	4,901
	<u>-</u>	<u>10,294</u>	<u>10,294</u>	<u>4,901</u>
	<u>-</u>	<u>10,294</u>	<u>10,294</u>	<u>4,901</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Provision of care services	91,001	663,850	754,851	810,053
Insurance services	-	109,333	109,333	115,222
Residential fees	-	30,915	30,915	45,610
Grant income released	-	14,114	14,114	362
Charity shop	-	23,216	23,216	-
	<u>91,001</u>	<u>841,428</u>	<u>932,429</u>	<u>971,247</u>
	<u>91,001</u>	<u>841,428</u>	<u>932,429</u>	<u>971,247</u>

GRANTS RECEIVABLE AND OTHER INCOME

	Restricted funds £	Unrestricted funds £	2012 £	2011 £
GCC Revenue Grants				
-Mattie Carwood/NVS	-	106,417	106,417	110,810
-Donald Dewar Centre	-	156,380	156,380	156,381
-Fred Paton Centre	-	151,580	151,580	151,581
-Temple Elderly Centre	-	177,265	177,265	177,491
-Other Grants	-	-	-	1,974
NHS Revenue Grants				
-David Cargill Centre	51,000	-	51,000	51,000
-Temple Elderly Centre	24,867	-	24,867	24,867
NHS Falls Protection	15,134	-	15,134	11,270
NHS income maximisation (Elderpark)	-	21,375	21,375	22,000
Minibus Grants	-	-	-	25,000
Sundry Income	-	7,722	7,722	5,222
	<u>91,001</u>	<u>620,739</u>	<u>711,740</u>	<u>737,596</u>
	<u>91,001</u>	<u>620,739</u>	<u>711,740</u>	<u>737,596</u>

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

6. OTHER INCOMING RESOURCES

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Other incoming resources	-	5,897	5,897	-

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Provision of care services	91,001	1,014,197	1,105,198	1,059,680
Insurance services	-	42,615	42,615	57,908
Residential costs	-	47,480	47,480	60,532
Charity shop	-	37,880	37,880	-
	91,001	1,142,172	1,233,173	1,178,120

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £	Total 2011 £
Provision of care services	730,659	31,953	342,586	1,105,198	1,059,680
Insurance services	37,594	-	5,021	42,615	57,908
Residential costs	7,856	13,220	26,404	47,480	60,532
Charity shop	7,397	4,565	25,918	37,880	-
	783,506	49,738	399,929	1,233,173	1,178,120

8. GOVERNANCE COSTS

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Auditors' remuneration	-	13,690	13,690	11,624
Legal & professional fees	-	11,066	11,066	9,172
	-	24,756	24,756	20,796

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

9. DIRECT COSTS

	Provision of care services £	Insurance services £	Residential costs £	Charity shop £	Total 2012 £	Total 2011 £
Rent	13,919	-	-	10,791	24,710	(79)
Insurance	32,326	-	3,683	306	36,315	39,119
Light and Heat	48,116	-	9,100	1,460	58,676	57,429
Repairs & maintenance	46,823	-	10,739	2,275	59,837	32,483
Postage	30,012	-	-	-	30,012	32,446
Telephone and fax	12,635	761	553	134	14,083	15,476
Travelling	8,425	212	-	-	8,637	14,335
Motor expenses	35,197	-	-	75	35,272	21,846
Staff training	2,949	-	-	-	2,949	-
Sundry expenses	10,886	9	227	1,241	12,363	19,347
Subscriptions	8,635	-	911	-	9,546	10,741
Advertising	-	-	-	180	180	-
Transfer of Senior citizens reserves	-	-	-	4,468	4,468	-
Lunches & catering	47,734	-	-	-	47,734	44,215
Laundry & cleaning	16,347	-	860	14	17,221	13,023
Club entertainment	12,891	-	-	-	12,891	6,501
Club equipment	1,929	-	-	-	1,929	2,861
Bank charges	-	1	-	-	1	1,720
Old Folks Weeks Costs	12,200	-	-	-	12,200	12,148
AGM Expenses	946	-	-	-	946	690
Loss on disposal of tangible fixed assets	616	(25)	-	-	591	-
Secretarial fees	-	-	-	-	-	6,250
Professional fees	-	2,420	331	4,974	7,725	1,500
Holiday (surplus) / deficit	-	1,643	-	-	1,643	(2,024)
Wages and salaries	675,676	34,964	7,856	7,397	725,893	738,973
National insurance	42,470	2,630	-	-	45,100	47,808
Pension cost	12,513	-	-	-	12,513	14,601
Depreciation	31,953	-	13,220	4,565	49,738	46,711
	<u>1,105,198</u>	<u>42,615</u>	<u>47,480</u>	<u>37,880</u>	<u>1,233,173</u>	<u>1,178,120</u>

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

10. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £	Total 2011 £
Fundraising expenses	-	-	19,093	19,093	22,026
Costs of generating funds	-	-	19,093	19,093	22,026
Provision of care services	730,659	31,953	342,586	1,105,198	1,059,680
Provision of insurance services	37,594	-	5,021	42,615	57,908
Provision of residential accommodation	7,856	13,220	26,404	47,480	60,532
Provision of charity shop	7,397	4,565	25,918	37,880	-
Charitable activities	783,506	49,738	399,929	1,233,173	1,178,120
Governance	-	-	24,756	24,756	20,796
	783,506	49,738	443,778	1,277,022	1,220,942

11. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	2012 £	2011 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	49,738	46,713
Auditors' remuneration	13,690	11,624
Pension costs	12,513	14,601

During the year, no Directors received any remuneration (2011 - £NIL).

During the year, no Directors received any reimbursement of expenses (2011 - £NIL).

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

12. STAFF COSTS

Staff costs were as follows:

	2012 £	2011 £
Wages and salaries	725,893	738,973
Social security costs	45,100	47,808
Other pension costs	12,513	14,601
	<u>783,506</u>	<u>801,382</u>

The average monthly number of employees during the year was as follows:

	2012 No.	2011 No.
Head Office administrative staff	16	16
Project Management staff	8	8
Service Providers	35	36
	<u>59</u>	<u>60</u>

No employee received remuneration amounting to more than £60,000 in either year.

13. TANGIBLE FIXED ASSETS

Group	Heritable Property £	Leasehold improvements £	Property Improvements £	Equipment £	Motor vehicles £
Cost or valuation					
At 1 April 2011	913,000	-	24,598	57,179	194,806
Additions	-	45,650	-	3,130	34,446
Disposals	-	-	-	(7,539)	(32,990)
Revaluation surplus	447,000	-	-	-	-
At 31 March 2012	<u>1,360,000</u>	<u>45,650</u>	<u>24,598</u>	<u>52,770</u>	<u>196,262</u>
Depreciation					
At 1 April 2011	99,450	-	14,702	48,634	145,014
Charge for the year	19,300	4,565	2,518	4,079	19,056
On disposals	-	-	-	(6,314)	(24,975)
On revalued assets	(118,750)	-	-	-	-
At 31 March 2012	<u>-</u>	<u>4,565</u>	<u>17,220</u>	<u>46,399</u>	<u>139,095</u>
Net book value					
At 31 March 2012	<u>1,360,000</u>	<u>41,085</u>	<u>7,378</u>	<u>6,371</u>	<u>57,167</u>
At 31 March 2011	<u>813,550</u>	<u>-</u>	<u>9,896</u>	<u>8,545</u>	<u>49,792</u>

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

13. TANGIBLE FIXED ASSETS (continued)

Group	Fixtures & fittings £	Total £
Cost or valuation		
At 1 April 2011	1,463	1,191,046
Additions	-	83,226
Disposals	-	(40,529)
Revaluation surplus	-	447,000
	<hr/>	<hr/>
At 31 March 2012	1,463	1,680,743
	<hr/>	<hr/>
Depreciation		
At 1 April 2011	366	308,166
Charge for the year	220	49,738
On disposals	-	(31,289)
On revalued assets	-	(118,750)
	<hr/>	<hr/>
At 31 March 2012	586	207,865
	<hr/>	<hr/>
Net book value		
At 31 March 2012	877	1,472,878
	<hr/>	<hr/>
<i>At 31 March 2011</i>	1,097	882,880
	<hr/>	<hr/>

In March 2012 the properties of the group were revalued to £1,360,000 by R & W Hall Chartered Surveyors, on the basis of open market value in accordance with the Appraisal and Valuation Manual of the Royal Institution of chartered Surveyors.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

13 TANGIBLE FIXED ASSETS (continued)

Company	Heritable Property £	Property Improvements £	Equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2011	315,000	24,598	50,130	194,806	584,534
Additions	-	-	2,640	34,446	37,086
Disposals	-	-	-	(32,990)	(32,990)
Revaluation surplus	445,000	-	-	-	445,000
At 31 March 2012	<u>760,000</u>	<u>24,598</u>	<u>52,770</u>	<u>196,262</u>	<u>1,033,630</u>
Depreciation					
At 1 April 2011	83,200	14,702	42,320	145,014	285,236
Charge for the year	6,300	2,518	4,079	19,056	31,953
On disposals	-	-	-	(24,975)	(24,975)
On revalued assets	(89,500)	-	-	-	(89,500)
At 31 March 2012	<u>-</u>	<u>17,220</u>	<u>46,399</u>	<u>139,095</u>	<u>202,714</u>
Net book value					
At 31 March 2012	<u>760,000</u>	<u>7,378</u>	<u>6,371</u>	<u>57,167</u>	<u>830,916</u>
At 31 March 2011	<u>231,800</u>	<u>9,896</u>	<u>7,810</u>	<u>49,792</u>	<u>299,298</u>

In March 2012 the properties were revalued to £760,000 by Messrs. R & W Hall Chartered Surveyors, on the basis of open market value in accordance with the Appraisal and Valuation Manual of the Royal Institution of chartered Surveyors.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

14. FIXED ASSET INVESTMENTS

Group	Investments £
Market value	
At 1 April 2011	-
Additions	450,000
	<u>450,000</u>
At 31 March 2012	<u>450,000</u>

Group investments at market value comprise:

	2012 £
Bank deposit	450,000
	<u>450,000</u>

All the fixed asset investments are held in the UK

Company	Investments £
Market value	
At 1 April 2011	2
Additions	450,000
	<u>450,002</u>
At 31 March 2012	<u>450,002</u>

Company investments at cost comprise:

	2012 £	2011 £
Bank deposit	450,000	-
GOPWIS	2	2
	<u>450,002</u>	<u>2</u>
Total	<u>450,002</u>	<u>2</u>

All the fixed asset investments are held in the UK.

Included in fixed asset investments is a long term bank deposit of £450,000 which is held for the purposes of income generation.

The investments included above represent the shareholding, at cost, of the company's investment in Glasgow Old People's Welfare Insurance Services Limited (GOPWIS).

The company is also deemed to control Glasgow Old People's Flats Limited (GOP Flats) and Senior Citizens Scotland, through commonality of directors. No shareholding or investment value is shown as the company does not own the shares in these companies.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

15. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	6,792	2,304	6,540	2,150
Amounts owed by group undertakings	-	-	35,516	47,448
Other debtors	11,766	9,368	11,521	9,368
Prepayments and accrued income	45,526	34,767	45,064	32,419
	<u>64,084</u>	<u>46,439</u>	<u>98,641</u>	<u>91,385</u>

**16. CREDITORS:
Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	2,134	-	-	-
Other loans	20,000	20,000	20,000	20,000
Trade creditors	14,902	7,602	12,383	6,159
Amounts owed to group undertakings	-	-	10,000	10,000
Social security and other taxes	12,876	14,226	12,875	13,121
Other creditors	4,694	1,353	2,925	1,352
Accruals and deferred income	44,304	12,840	25,831	8,741
	<u>98,910</u>	<u>56,021</u>	<u>84,014</u>	<u>59,373</u>

Other loans include the DWT Cargill Fund loan of £20,000 (2011 - £20,000). This is secured by a Bond and Floating Charge over the assets of the company.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

17. CREDITORS:
Amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Government grants received	-	14,114	-	-

18. STATEMENT OF FUNDS

	Brought Forward	Incoming resources	Resources Expended	Transfers In/out	Gains/ (Losses)	Carried Forward
	£	£	£	£	£	£
Designated funds						
Designated Funds- Company	500,000	-	-	(50,000)	-	450,000
General funds						
General Funds - Company	372,228	976,580	(1,107,601)	103,678	-	344,885
General Funds - Group	553,390	118,614	(78,420)	(529,699)	-	63,885
Revaluation reserve- Company	11,400	-	-	(300)	534,500	545,600
	937,018	1,095,194	(1,186,021)	(426,321)	534,500	954,370
Total Unrestricted funds	1,437,018	1,095,194	(1,186,021)	(476,321)	534,500	1,404,370

The Association has chosen to designate funds of £450,000 representing part of the proceeds of the sale of Henderson House for future development work. These funds are not regarded as free funds available for general use.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

18. STATEMENT OF FUNDS (continued)

Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Revaluation reserve- Group	-	-	-	529,699	31,250	560,949
Minibus Fund- Company	25,009	26,238	-	(51,247)	-	-
Capital Grants- Company	9,511	-	-	(2,131)	-	7,380
Citizens Band Radio for the Blind- Company	5,184	-	-	-	-	5,184
NHS DCC Grant- Company	-	51,000	(51,000)	-	-	-
NHS Falls Protection- Company	-	15,134	(15,134)	-	-	-
NHS Revenue Grant- Company	-	24,867	(24,867)	-	-	-
	<u>39,704</u>	<u>117,239</u>	<u>(91,001)</u>	<u>476,321</u>	<u>31,250</u>	<u>573,513</u>
Total of funds	<u>1,476,722</u>	<u>1,212,433</u>	<u>(1,277,022)</u>	<u>-</u>	<u>565,750</u>	<u>1,977,883</u>

The charity received funding from the NHS. The funds received from the NHS funded two different purposes. Falls Protection provided people with transport to and from their home when they required seeing a physiotherapist after they had a fall, and Income Maximisation helps provide support and advice to ensure the elderly are claiming all the state benefits to which they are entitled.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	500,000	-	-	(50,000)	-	450,000
General funds	937,018	1,095,194	(1,186,021)	(426,321)	534,500	954,370
	<u>1,437,018</u>	<u>1,095,194</u>	<u>(1,186,021)</u>	<u>(476,321)</u>	<u>534,500</u>	<u>1,404,370</u>
Restricted funds	39,704	117,239	(91,001)	476,321	31,250	573,513
	<u>1,476,722</u>	<u>1,212,433</u>	<u>(1,277,022)</u>	<u>-</u>	<u>565,750</u>	<u>1,977,883</u>

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Tangible fixed assets	560,949	911,930	1,472,879	882,880
Fixed asset investments	-	450,000	450,000	-
Current assets	12,564	141,351	153,915	663,977
Creditors due within one year	-	(98,911)	(98,911)	(56,021)
Creditors due in more than one year	-	-	-	(14,114)
	<u>573,513</u>	<u>1,404,370</u>	<u>1,977,883</u>	<u>1,476,722</u>

20. CONTINGENT LIABILITIES

The property at Ledard Road used by the David Cargill Centre was assigned by way of gift with the restriction that, should the property cease to be occupied by the Association, it would be transferred back to the Trustees of the D W T Cargill Fund without consideration. The directors are of the view that there is no value to be included within the accounts.

21. PENSION COMMITMENTS

The Group participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State Scheme. The Plan is a multi-employer pension plan.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001, contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

21. PENSION COMMITMENTS (continued)

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

The Group paid contributions at the rate of 5% to the Plan. Members paid contributions at the rate of 2-5% during the accounting year.

As at the balance sheet date there were ten active members of the Plan employed by the Group. The Group continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable which amounted to £12,513 for the year (2011- £14,113).

The valuation results at 30 September 2008 were completed in 2009 and have been formalised. The valuation of the Plan was performed by a professionally qualified actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%.

The financial assumptions underlying the valuation as at 30 September 2008 were as follows:

	% p.a.
Rate of return pre retirement	7.6
<i>Rate of return post retirement:</i>	
Active/deferred	5.1
Pensioners	5.6
Bonuses on accrued benefits	0.0
Rate of price inflation	3.2

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions, such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The preliminary triennial valuation results as at 30 September 2011 were received in March 2012 but, as the valuation will not be finalised until later this year, this disclosure note must still refer to the 2008 valuation results as the last completed valuation.

The Scheme Actuary's preliminary results for 30 September 2011 show that the Plan's assets at that date were £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

21. PENSION COMMITMENTS (continued)

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2008 valuation was forwarded to The Pensions Regulator on 18 December 2009, as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Plan so that a liability arises to employers from membership of any series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The Group has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2011. As of this date the estimated employer debt for the Group was £293,531.

Contributions outstanding at the balance sheet date amounted to £2,009 (2011 - £nil).

22. SUBSIDIARY COMPANIES

The company owns the whole of the issued ordinary share capital of Glasgow Old People's Welfare Insurance Services Limited which assists with the placing of insurance for elderly people. The Company is registered in Scotland. The company also owns a subsidiary, Senior Citizens Scotland, a company registered in Scotland and limited by guarantee. The results of Senior Citizens Scotland have been included in the consolidated accounts in the year.

The company also controlled Glasgow Old Peoples Flats Limited and therefore the results of this company have been included in the consolidated accounts.

23. RELATED PARTY TRANSACTIONS

The former Chairman, G.W.R. Carlisle, previously provided services as a fundraiser for the charity during the year. Fees due for the year amounted to £Nil (2011: £11,250). The Treasurer, J. N. Gibson, has provided accounting services to the charity during the year amounting to £4,500 (2011: £Nil). The outstanding liability owed to J. N. Gibson at 31 March 2012 is £900 (2011 - £Nil).

During the year the group received legal and professional services from Miller Beckett & Jackson totalling £5,942 (2011- £Nil). N A Fyfe, who is a director of GOPWA, is also a partner of Miller Beckett & Jackson.