

Registered number: SC163918
Charity number: SCO08200

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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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 COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2013**

Directors

Mr WB Shearar
Mr R M Findlay
Mr N Fyfe
Mr JN 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

Independent 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 2013

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 2013. 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 2013

• ORGANISATIONAL STRUCTURE AND DECISION MAKING

The directors who served during the year were:

Mr WB Shearar
Mr R M Findlay
Mr N Fyfe
Mr JN 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.

Achievements and performance

• GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

• REVIEW OF ACTIVITIES

The group results show an operating deficit of £93,212, compared with a deficit for the previous year of £64,589.

The deficit for the year to 31 March 2013 is again largely attributable to a shortfall in donation income because of the recession. Legacy income was similar to the previous year and income from Glasgow City Council has been maintained. GOPWA's overall income was £5,000 less than the previous year; costs were contained as far as possible but showed an increase of £12,000.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2013

The Association's charity shop in Partick, operated through the subsidiary company Senior Citizens Scotland, helps to promote GOPWA's work by its presence on the High Street. The shop produced a surplus of £1,000 from charitable activities in its first full year of trading, compared with a deficit of £15,000 in the previous year. It was also able to make a donation of £20,000 to GOPWA.

Following the disposal of the business of GOPWIS in April 2011, a goodwill payment of £45,000 was received under the terms of the sale agreement. The surplus earned from GOPWIS in the previous year was £67,000, which was unusually high compared with earlier years.

Glasgow Old People's Flats showed a deficit of £10,000 from charitable activities compared with a deficit of £3,000 in the previous year.

GOPWA provides a diverse and valued range of services in an increasingly complicated and changing environment. The day centres continue to offer a full complement of services and to work within their budgets. Efforts to achieve economies in purchasing of services have borne some fruit. The task of supervising and administering operations is complicated, and attracting funding for Head Office tasks remains difficult.

GOPWA is not immune from the current pensions crisis. We are a member of the Pensions Trust, as are a large number of other charities and non governmental organisations. The 2011 triennial valuation shows that the scheme is only 84% funded and as a result we are committed to a recovery plan involving the payment of additional contributions over the next 10 years. Our share of the potential buy out debt is £338,000, and in light of this the directors have allocated £350,000 of the Association's Designated Funds as a Pension Withdrawal Fund.

• 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.

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 ring-fenced for specific purposes.

£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 trading deficits. £50,000 of this capital was used to set up the charity shop last year and £350,000 has this year been allocated to the Pension Withdrawal Fund, leaving a balance of £100,000 for future development work.

The level of "free" reserves, excluding the amounts in designated funds, is £100,000, which is well below the desired level. GOPWA is committed to taking steps to ensure that the level of unrestricted reserves will be increased to the desired level.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2013

• PRINCIPAL FUNDING

Over 60% of the Association's funding comes from local government or NHS sources. Other sources include catering revenue and investment income, but the Association is heavily dependent on donations and legacies to balance the books. The directors continue to seek funding for all the Association's activities and especially those of its Head Office, to ensure that the underlying trading position is sound. They are also continually reviewing operations to ensure that economies once made are retained.

In common with all charities, our expenditure is largely fixed, but income is variable and unknown. 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

Since the year end Glasgow City Council has changed its method of support from block grant to "cost and volume", whereby the Association will be paid for places taken up at its day centres; the onus will therefore be on the Association to ensure that places are filled.

The directors consider that the service which the Association provides is first class and of benefit to a great many people. They will continue to seek ways to maximise funding and control costs, building on the services currently provided in order to continue to provide centres of excellence at each Day Care Centre.

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 law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 are sufficient to show and explain the charitable company and the group's transactions and 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.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2013

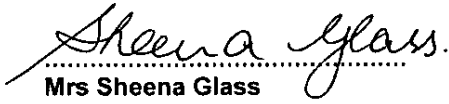
PROVISION OF INFORMATION TO AUDITOR

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 26/8/2013 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 2013 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 2008) (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 2013 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**

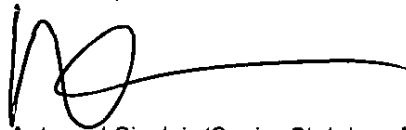
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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:

02/09/2013.

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 2013**

	Note	Restricted funds 2013 £	Unrestricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Donations	2	-	58,821	58,821	59,201
Legacies	2	-	38,017	38,017	35,713
Other voluntary income	2	8,825	867	9,692	6,000
Activities for generating funds	3	-	166,371	166,371	162,899
Investment income	4	-	13,207	13,207	10,294
Incoming resources from charitable activities:					
	5				
Grants receivable and other income		91,277	620,737	712,014	711,740
Secretarial fees		-	15,000	15,000	15,000
Fundraising		-	19,289	19,289	28,111
GOPWIS income		-	-	-	109,333
GOP Flats income		-	33,373	33,373	45,029
Senior Citizens income		-	61,019	61,019	23,216
Goodwill payment		-	45,000	45,000	-
Other incoming resources	6	-	1,783	1,783	5,897
TOTAL INCOMING RESOURCES		100,102	1,073,484	1,173,586	1,212,433
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising expenses and other costs		-	20,257	20,257	19,093
Charitable activities:					
	7				
GOPWIS expenses		-	-	-	42,615
GOP Flats expenses		-	43,401	43,401	47,480
Senior Citizens expenses		-	60,179	60,179	37,880
Other costs of activities		100,102	1,030,102	1,130,204	1,105,198
Governance costs	9	-	12,757	12,757	24,756
TOTAL RESOURCES EXPENDED	10	100,102	1,166,696	1,266,798	1,277,022
NET RESOURCES EXPENDED BEFORE TRANSFERS		-	(93,212)	(93,212)	(64,589)

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (continued)
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2013

	Note	Restricted funds 2013 £	Unrestricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Transfers between Funds	17	(13,029)	13,029	-	-
NET EXPENDITURE FOR THE YEAR		(13,029)	(80,183)	(93,212)	(64,589)
Gains and losses on revaluations of fixed assets for the charity's own use	13	-	-	-	565,750
NET MOVEMENT IN FUNDS FOR THE YEAR		(13,029)	(80,183)	(93,212)	501,161
<i>Total funds at 1 April 2012</i>		<i>573,513</i>	<i>1,404,370</i>	<i>1,977,883</i>	<i>1,476,722</i>
TOTAL FUNDS AT 31 MARCH 2013		560,484	1,324,187	1,884,671	1,977,883

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 2013

	Note	Restricted funds 2013 £	Unrestricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
NET EXPENDITURE FOR THE YEAR	17	(13,029)	(80,183)	(93,212)	(64,589)
Gains and losses on revaluations of fixed assets for the charity's own use		-	-	-	565,750
TOTAL GAINS AND LOSSES RECOGNISED SINCE 1 APRIL 2012	17	(13,029)	(80,183)	(93,212)	501,161

There is no difference between the 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 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	13		1,434,125		1,472,878
Investments	14		450,000		450,000
			<u>1,884,125</u>		<u>1,922,878</u>
CURRENT ASSETS					
Debtors	15	31,037		64,084	
Cash at bank and in hand		67,890		89,831	
		<u>98,927</u>		<u>153,915</u>	
CREDITORS: amounts falling due within one year	16	(98,381)		(98,910)	
NET CURRENT ASSETS			<u>546</u>		<u>55,005</u>
NET ASSETS			<u>1,884,671</u>		<u>1,977,883</u>
CHARITY FUNDS					
Restricted funds	17		560,484		573,513
Unrestricted funds	17		1,324,187		1,404,370
TOTAL FUNDS			<u>1,884,671</u>		<u>1,977,883</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 *26 August 2013* and signed on their behalf, by:



 Mr WB Shearar, Chairman



 Mr JN 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 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	13		808,902		830,916
Investments	14		450,002		450,002
			<u>1,258,904</u>		<u>1,280,918</u>
CURRENT ASSETS					
Debtors	15	54,785		98,641	
Cash at bank		49,915		57,502	
		<u>104,700</u>		<u>156,143</u>	
CREDITORS: amounts falling due within one year	16	(69,968)		(84,014)	
NET CURRENT ASSETS			<u>34,732</u>		<u>72,129</u>
NET ASSETS			<u>1,293,636</u>		<u>1,353,047</u>
CHARITY FUNDS					
Restricted funds	17		10,642		12,564
Unrestricted funds	17		1,282,994		1,340,483
TOTAL FUNDS			<u>1,293,636</u>		<u>1,353,047</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 *26 August 2013* and signed on their behalf, by:


 Mr WB Shearar, Chairman


 Mr JN 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 2013**

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 heritable property which is 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 undertakings. The results of the subsidiaries 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 or which have been raised by the company for particular purposes. The costs 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 2013

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 2013**

1. ACCOUNTING POLICIES (continued)

1.9 Pensions

The company operates a defined benefits pension scheme. 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 2013 £	Unrestricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Donations	-	58,821	58,821	59,201
Legacies	-	38,017	38,017	35,713
	-	96,838	96,838	94,914
Donations & Gifts	-	867	867	-
Grants	8,825	-	8,825	6,000
Subtotal	8,825	867	9,692	6,000
Voluntary income	8,825	97,705	106,530	100,914

3. ACTIVITIES FOR GENERATING FUNDS

	Restricted funds 2013 £	Unrestricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Lunches & Catering	-	120,975	120,975	125,577
Rent received	-	25,830	25,830	19,720
General fundraising	-	19,566	19,566	17,602
	-	166,371	166,371	162,899

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

4. INVESTMENT INCOME

	Restricted funds 2013 £	Unrestricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Interest receivable	-	13,207	13,207	10,294
	<u>-</u>	<u>13,207</u>	<u>13,207</u>	<u>10,294</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted funds 2013 £	Unrestricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Provision of care services	91,277	655,026	746,303	754,851
Insurance services	-	-	-	109,333
Residential fees	-	33,373	33,373	30,915
Grant income released	-	-	-	14,114
Charity shop	-	61,019	61,019	23,216
Goodwill payment	-	45,000	45,000	-
	<u>91,277</u>	<u>794,418</u>	<u>885,695</u>	<u>932,429</u>

GRANTS RECEIVABLE AND OTHER INCOME

	Restricted funds £	Unrestricted funds £	2013 £	2012 £
GCC Revenue Grants				
-Mattie Carwood/NVS	-	106,417	106,417	106,417
-Donald Dewar Centre	-	156,380	156,380	156,380
-Fred Paton Centre	-	151,580	151,580	151,580
-Temple Elderly Centre	-	177,280	177,280	177,265
-Other Grants	-	5,080	5,080	-
NHS Revenue Grants				
-David Cargill Centre	51,000	-	51,000	51,000
-Temple Elderly Centre	24,867	-	24,867	24,867
NHS Falls Protection	15,410	-	15,410	15,134
NHS income maximisation (Elderpark)	-	24,000	24,000	21,375
Sundry Income	-	-	-	7,722
Total	<u>91,277</u>	<u>620,737</u>	<u>712,014</u>	<u>711,740</u>

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

6. OTHER INCOMING RESOURCES

	Restricted funds 2013 £	Unrestricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Other incoming resources	-	1,783	1,783	5,897

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Restricted funds 2013 £	Unrestricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Provision of care services	100,102	1,030,102	1,130,204	1,105,198
Insurance services	-	-	-	42,615
Residential costs	-	43,401	43,401	47,480
Charity shop	-	60,179	60,179	37,880
	<u>100,102</u>	<u>1,133,682</u>	<u>1,233,784</u>	<u>1,233,173</u>

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Provision of care services	767,039	38,374	324,791	1,130,204	1,105,198
Insurance services	-	-	-	-	42,615
Residential costs	8,041	12,175	23,185	43,401	47,480
Charity shop	12,637	4,565	42,977	60,179	37,880
	<u>787,717</u>	<u>55,114</u>	<u>390,953</u>	<u>1,233,784</u>	<u>1,233,173</u>

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

8. DIRECT COSTS

	Provision of care services £	Residential costs £	Charity shop £	Total 2013 £	Total 2012 £
Rent	12,392	-	29,876	42,268	24,710
Insurance	25,147	3,789	1,574	30,510	36,315
Light and Heat	41,910	9,625	4,378	55,913	58,676
Repairs & maintenance	34,722	6,595	1,232	42,549	59,837
Postage	30,228	-	1,447	31,675	30,012
Telephone and fax	13,064	724	300	14,088	14,083
Travelling	11,403	-	-	11,403	8,637
Motor expenses	32,042	-	905	32,947	35,272
Staff training	3,856	-	-	3,856	2,949
Sundry expenses	9,749	-	2,831	12,580	12,363
Subscriptions	12,662	1,009	-	13,671	9,546
Advertising	-	-	-	-	180
Transfer of Senior citizens reserves	-	-	-	-	4,468
Lunches & catering	49,256	-	-	49,256	47,734
Laundry & cleaning	15,133	722	284	16,139	17,221
Club entertainment	17,567	-	-	17,567	12,891
Club equipment	2,121	-	-	2,121	1,929
Bank charges	55	30	-	85	1
Old Folks Week Costs	11,966	-	-	11,966	12,200
AGM Expenses	1,331	-	-	1,331	946
Loss on disposal of tangible fixed assets	187	-	-	187	591
Professional fees	-	691	150	841	7,725
Holiday (surplus) / deficit	-	-	-	-	1,643
Wages and salaries	710,225	8,041	12,637	730,903	725,893
National insurance	44,222	-	-	44,222	45,100
Pension cost	12,592	-	-	12,592	12,513
Depreciation	38,374	12,175	4,565	55,114	49,738
	<u>1,130,204</u>	<u>43,401</u>	<u>60,179</u>	<u>1,233,784</u>	<u>1,233,173</u>

9. GOVERNANCE COSTS

	Restricted funds 2013 £	Unrestricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Auditors' remuneration	-	11,672	11,672	13,690
Legal & professional fees	-	1,085	1,085	11,066
	<u>-</u>	<u>12,757</u>	<u>12,757</u>	<u>24,756</u>

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

10. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Fundraising expenses	-	-	20,257	20,257	19,093
Costs of generating funds	-	-	20,257	20,257	19,093
Provision of care services	767,039	38,374	324,791	1,130,204	1,105,198
Provision of insurance services	-	-	-	-	42,615
Provision of residential accommodation	8,041	12,175	23,185	43,401	47,480
Provision of charity shop	12,637	4,565	42,977	60,179	37,880
Charitable activities	787,717	55,114	390,953	1,233,784	1,233,173
Governance	-	-	12,757	12,757	24,756
	787,717	55,114	423,967	1,266,798	1,277,022

11. NET RESOURCES EXPENDED

This is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	55,114	49,738
Auditors' remuneration	11,672	13,690
Pension costs	12,592	12,513

During the year, no Directors received any remuneration (2012 - £NIL).

During the year, no Directors received any reimbursement of expenses (2012 - £NIL).

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

12. STAFF COSTS

Staff costs were as follows:

	2013 £	2012 £
Wages and salaries	730,903	725,893
Social security costs	44,222	45,100
Other pension costs	12,592	12,513
	<u>787,717</u>	<u>783,506</u>

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

	2013 No.	2012 No.
Head Office administrative staff	16	16
Project Management staff	8	8
Service Providers	37	35
	<u>61</u>	<u>59</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 £
Cost or valuation				
At 1 April 2012	1,360,000	45,650	24,598	52,770
Additions	-	-	-	4,553
Disposals	-	-	-	-
At 31 March 2013	<u>1,360,000</u>	<u>45,650</u>	<u>24,598</u>	<u>57,323</u>
Depreciation				
At 1 April 2012	-	4,565	17,220	46,399
Charge for the year	27,200	4,564	2,460	5,611
On disposals	-	-	-	-
At 31 March 2013	<u>27,200</u>	<u>9,129</u>	<u>19,680</u>	<u>52,010</u>
Net book value				
At 31 March 2013	<u>1,332,800</u>	<u>36,521</u>	<u>4,918</u>	<u>5,313</u>
At 31 March 2012	<u>1,360,000</u>	<u>41,085</u>	<u>7,378</u>	<u>6,371</u>

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

13. TANGIBLE FIXED ASSETS (continued)

Group	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation			
At 1 April 2012	196,262	1,463	1,680,743
Additions	12,995	-	17,548
Disposals	(22,375)	-	(22,375)
At 31 March 2013	186,882	1,463	1,675,916
Depreciation			
At 1 April 2012	139,095	586	207,865
Charge for the year	15,104	175	55,114
On disposals	(21,188)	-	(21,188)
At 31 March 2013	133,011	761	241,791
Net book value			
At 31 March 2013	53,871	702	1,434,125
At 31 March 2012	57,167	877	1,472,878

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.

If the heritable property had not been included at valuation it would have been included under the historical cost convention as follows:

Group	2013 £	2012 £
Cost	428,594	428,594
Accumulated depreciation	(186,437)	(179,544)
Net book value	242,157	249,050

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

13 TANGIBLE FIXED ASSETS (continued)

Company	Heritable Property £	Property Improvements £	Equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2012	760,000	24,598	52,770	196,262	1,033,630
Additions	-	-	4,553	12,995	17,548
Disposals	-	-	-	(22,375)	(22,375)
At 31 March 2013	760,000	24,598	57,323	186,882	1,028,803
Depreciation					
At 1 April 2012	-	17,220	46,399	139,095	202,714
Charge for the year	15,200	2,460	5,611	15,104	38,375
On disposals	-	-	-	(21,188)	(21,188)
At 31 March 2013	15,200	19,680	52,010	133,011	219,901
Net book value					
At 31 March 2013	744,800	4,918	5,313	53,871	808,902
At 31 March 2012	760,000	7,378	6,371	57,167	830,916

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.

If the heritable property had not been included at valuation it would have been included under the historical cost convention as follows:

Company	2013 £	2012 £
Cost	300,000	300,000
Accumulated depreciation	(96,000)	(90,000)
Net book value	204,000	210,000

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

14. FIXED ASSET INVESTMENTS

Group	Investments £
Market value	
At 1 April 2012 and 31 March 2013	<u><u>450,000</u></u>

Group investments at market value comprise:

	2013 £	2012 £
Bank deposit	<u><u>450,000</u></u>	<u><u>450,000</u></u>

All the fixed asset investments are held in the UK

Company	Investments £
Market value	
At 1 April 2012 and 31 March 2013	<u><u>450,002</u></u>

Company investments at cost comprise:

	2013 £	2012 £
Bank deposit	<u><u>450,000</u></u>	<u><u>450,000</u></u>
GOPWIS	<u><u>2</u></u>	<u><u>2</u></u>
Total	<u><u>450,002</u></u>	<u><u>450,002</u></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. While this is deposit is intended to generate income, it is recognised that the funds may be required to finance the pension buy out debt (see note 20 below).

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

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 2013**

15. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Due after more than one year				
Amounts owed by group undertakings	-	-	20,000	30,000
Due within one year				
Trade debtors	2,108	6,792	1,405	6,540
Amounts owed by group undertakings	-	-	6,888	5,516
Other debtors	3,849	11,766	1,900	11,521
Prepayments and accrued income	25,080	45,526	24,592	45,064
	<u>31,037</u>	<u>64,084</u>	<u>54,785</u>	<u>98,641</u>

16. CREDITORS:

Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	-	2,134	-	-
Other loans	20,000	20,000	20,000	20,000
Trade creditors	19,300	14,902	14,633	12,383
Amounts owed to group undertakings	-	-	-	10,000
Social security and other taxes	12,711	12,876	12,711	12,875
Other creditors	10,441	4,694	10,439	2,925
Accruals and deferred income	35,929	44,304	12,185	25,831
	<u>98,381</u>	<u>98,910</u>	<u>69,968</u>	<u>84,014</u>

Other loans include the DWT Cargill Fund loan of £20,000 (2012 - £20,000). This is secured by a Bond and Floating Charge over the assets of the company.

17. STATEMENT OF FUNDS

	Brought Forward	Incoming resources	Resources Expended	Transfers in/out	Carried Forward
	£	£	£	£	£
Designated funds					
Designated Funds- Company	450,000	-	-	(350,000)	100,000
Pension Withdrawal Fund- Company	-	-	-	350,000	350,000
	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,000</u>

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

17. STATEMENT OF FUNDS (continued)

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
General funds					
General Funds - Company	344,885	999,558	(1,058,969)	11,122	296,596
General Funds - Group	63,885	73,926	(107,727)	11,107	41,191
Revaluation reserve- Company	545,600	-	-	(9,200)	536,400
	<u>954,370</u>	<u>1,073,484</u>	<u>(1,166,696)</u>	<u>13,029</u>	<u>874,187</u>
Total Unrestricted funds	<u>1,404,370</u>	<u>1,073,484</u>	<u>(1,166,696)</u>	<u>13,029</u>	<u>1,324,187</u>

Designated Funds were set aside from the proceeds of the sale of Henderson House in 2011 and were intended for future development work. The Association is reviewing its continued participation in the current pension scheme, and while no decision has as yet been made, £350,000 has been reallocated within Designated Funds to meet the potential costs of withdrawal from the pension scheme. These funds are not regarded as free funds available for general use.

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 £	Carried Forward £
Revaluation reserve- Group	560,949	-	-	(11,107)	549,842
Capital Grants- Company	7,380	-	-	(738)	6,642
Citizens Band Radio for the Blind- Company	5,184	-	-	(1,184)	4,000
NHS DCC Grant- Company	-	51,000	(51,000)	-	-
NHS Falls Protection- Company	-	15,410	(15,410)	-	-
NHS Revenue Grant- Company	-	24,867	(24,867)	-	-
Other Restricted Grants- Company	-	8,825	(8,825)	-	-
	<u>573,513</u>	<u>100,102</u>	<u>(100,102)</u>	<u>(13,029)</u>	<u>560,484</u>
Total of funds	<u>1,977,883</u>	<u>1,173,586</u>	<u>(1,266,798)</u>	<u>-</u>	<u>1,884,671</u>

The charity received funding from the NHS. The funds received from the NHS funded three different purposes. £51,000 provided funds towards the running of the David Cargill Centre, 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.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds	450,000	-	-	-	450,000
General funds	954,370	1,073,484	(1,166,696)	13,029	874,187
	<u>1,404,370</u>	<u>1,073,484</u>	<u>(1,166,696)</u>	<u>13,029</u>	<u>1,324,187</u>
Restricted funds	573,513	100,102	(100,102)	(13,029)	560,484
	<u>1,977,883</u>	<u>1,173,586</u>	<u>(1,266,798)</u>	<u>-</u>	<u>1,884,671</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2013 £	Unrestricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	560,484	873,642	1,434,126	1,472,879
Fixed asset investments	-	450,000	450,000	450,000
Current assets	-	98,927	98,927	153,915
Creditors due within one year	-	(98,382)	(98,382)	(98,911)
	<u>560,484</u>	<u>1,324,187</u>	<u>1,884,671</u>	<u>1,977,883</u>

19. 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.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

20. 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.

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 £12,592 for the year (2012- £12,513).

The valuation results at 30 September 2011 were completed in 2012 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 £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%.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

20. PENSION COMMITMENTS (continued)

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% p.a.
Rate of return pre retirement	4.9
Rate of return post retirement:	
Active/deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Retail Prices Index (RPI)	2.9
Consumer Prices Index (CPI)	2.4

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.

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.

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 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, 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 Growth 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 debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

GLASGOW OLD PEOPLE'S WELFARE ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

20. PENSION COMMITMENTS (continued)

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 2012. As of this date the estimated employer debt for the Group was £338,684. In light of this fact, the Association has chosen to allocate £350,000 of its Designated Funds as a Pension Withdrawal Fund.

Contributions outstanding at the balance sheet date amounted to £6,332 (2012 - £2,009).

21. SUBSIDIARY COMPANIES

The company owns the whole of the issued ordinary share capital of Glasgow Old People's Welfare Insurance Services Limited a company registered in Scotland, whose business was that of assisting with the placing of insurance for elderly people. The company's business was sold in 2011 and the company is now dormant.

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 People's Flats Limited and therefore the results of this company have been included in the consolidated accounts.

22. RELATED PARTY TRANSACTIONS

The Treasurer, J. N. Gibson, has provided accounting services to the charity during the year amounting to £2,100 (2012: £4,500). The outstanding liability owed to J. N. Gibson at 31 March 2013 is £Nil (2012 - £900).

During the year the group received legal and professional services from Miller Beckett & Jackson totalling £Nil (2012- £5,942). N A Fyfe , who is a director of GOPWA , is also a partner of Miller Beckett & Jackson.