



Company No SC153343

**AGE SCOTLAND
(LIMITED BY GUARANTEE)**

**TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

Charity No SC010100

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2016**

COMPANY INFORMATION

Trustees	Lord George Foulkes, Chair Dorothy McLaughlin, Vice Chair Tom O'Connell, Treasurer Pennie Taylor Sue Holloway Glenda Watt Professor Brendan McCormack Dr Alasdair Rutherford Suzanne Munday Kenneth Nicholson Alison Harrington Professor Geoff Palmer Professor Marion McMurdo
Treasurer	Tom O'Connell C.A.
Independent Auditor	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD
Bankers	Bank of Scotland 32 Brandon Parade South Motherwell ML1 1RB
Solicitors	Turcan Connell Princes Exchange 1 Earl Grey Street Edinburgh EH3 9EE
Registered Office	Causewayside House 160 Causewayside Edinburgh EH9 1PR
Company No.	SC153343
Charity No.	SC010100

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2016**

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AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The Trustees have pleasure in presenting the Trustees' Report and audited financial statements for the year ended 31 March 2016

The Directors of the Charitable Company (the Charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Group consists of the charity together with two wholly owned trading subsidiaries; Age Scotland Trading Ltd and Age Scotland Enterprises Ltd.

Our vision for older people in Scotland

A Scotland and a world where older people flourish as valued and equal citizens.

Our part in fulfilling that vision; our Mission

To help all older people present a strong and effective voice and to reduce the challenges for those facing serious and multiple disadvantage as they grow older.

Financial Review

The group's result for the year is a £321,256 deficit (2015: deficit £242,258). The Charity continues to identify and implement efficiencies where possible. Following an operational and structural review, the Charity and its retail subsidiary underwent a significant restructure in order to operate with a surplus in future. The Charity has also been successful in attracting funding throughout the year for its various projects as outlined in Note 20 to the financial statements.

The Charity's work is highly dependent upon the level of legacies and donations it receives from the public each year. In addition Age Scotland Enterprises Ltd and Age Scotland Trading Ltd support the Charity by delivering significant levels of gift aid. The Charity is also reliant upon the Scottish Government and other agencies for its project funding. In 2015/16 this amounted to £833,000.

Legacies

Age Scotland benefited from over £1 million in legacy gifts.

Donations

The Charity received over £131,000 (2015: £103,000) from donations during the year.

Trading

Age Scotland Enterprises Ltd

Trading conditions in the insurance market remained competitive with only car rates rising whilst home and travel remained largely flat. This is the last year's trading under the Joint Venture next year the ownership will pass entirely to Age Scotland. Overall revenue grew 1.89% to £1,520,079 whilst net profit was up 3.3% at £737,467. The funeral plan market saw the arrival of several new players and distribution channels with some established players adopting a more aggressive approach to sales which impacted on revenue, however the business will not adopt these edgy and aggressive sales techniques. Travel insurance remains challenging due to a continued moratorium on marketing which perpetuated the slide in sales enquiries. The revenue streams providing the best growth were car and lottery, with home remaining the mainstay of the portfolio. Last year saw a new telephony system introduced and allied to higher staffing levels the business enjoyed record in-bound call volumes.

Age Scotland Trading Ltd

Age Scotland Trading incurred a loss of £81,000 compared to a £192,000 loss in the previous year. Following a full review of operations, the business was restructured during the year in order to deliver future profitability, which the directors of the company believe will be achieved within 12 months. The company now runs 5 shops, down from 14 in the previous year, and focussed around the Central Belt of Scotland.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016 (contd)

Scottish Government and Local Authorities

The Charity was successful in retaining grants from the Scottish Government to support the work of the Charity and included support for the Silver Line Scotland Helpline.

Trustees' Review

The stated aims of Age Scotland's strategic direction have guided our main activities during the year. These are:-

Strategic Objectives 2015-16

1. To concentrate on preventative solutions that will encourage active ageing to improve health and well-being and reduce the loneliness and isolation experienced by too many older people in Scotland.
2. To work collaboratively with like-minded partners whose aims are also to serve older people.
3. To increase current income streams and introduce new areas of income to further increase the services we offer to older people.
4. To ultimately create a model where the charity income areas fund our support infrastructure and all donated funds go towards our front line services.
5. To control costs and build an organisation to support the overall vision.

A brief summary of our activities is listed below:

Charity Services

Community Development

Age Scotland's field based Community Development team was restructured last autumn changing its focus from a local service to a national service. The team provides a range of practical support tailored to suit individual groups to help them to get started, to grow and sustain services and activities for older people. The team also ensures that our members are informed and able to engage with and contribute to Age Scotland services, consultations and projects and brings groups together for engagement and networking.

Throughout the year Age Scotland membership continued to grow. At 31st March 2016 we had 1,389 group and individual members. As well as providing individual support and keeping in touch visits with many groups throughout the year, 15 Age Scotland network meetings were held and more than 400 members took part in these events on a variety of topics. Meetings took place in Alness, Cumnock, Dunoon, Dumfries, Forres, Golspie, Glasgow, Kelso, Inverclyde, Inverurie, Irvine, Stornoway and Wick. During the year we also provided small grants support to 70 member organisations totalling £53,000 and developed new evaluation materials to help member groups who have been awarded grant to report on their activities and the difference they have made to older people's lives. In March 2016 we organised a successful second National Conference – Quality Matters in Later Life. More than 330 members, partners, exhibitors and staff took part in the event which included presentations, discussions and workshops. The conference culminated in the presentation of the 2016 Age Scotland awards recognising the work of Age Scotland member groups and partners across the country. The charity was also successful in securing a number of grants to enable us increase our support for the growing Men's Sheds movement, to develop an intergenerational project in the build up to the Rio Olympics.

Games – 3 part-time Community Development staff were appointed to lead on these projects. Funding was also secured from the Scottish Government to create a new community grants programme to enable our member groups to run projects and activities to tackle loneliness and isolation during 2016/17.

Through the year the team has been ably supported in their work by our growing team of Regional Ambassadors who have helped the charity in a variety of ways including assisting with decision-making on the Age Scotland Community Grants programme, helping with planning for network events and our National conference, giving talks, visits and support to member groups and representing Age Scotland at important committees and conferences.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016 (contd)

Information & Advice

We were delighted with the development of our partnership with The Silver Line in which has allowed us to continue to expand our Information & Advice service and provide a blended service of Information, Advice and Friendship to meet the needs of older people in Scotland.

Our aim is to assist older people to be happy and healthy, supporting them to live independently at home for as long as possible, and helping to overcome the barriers of isolation and loneliness.

This partnership means that, via just one phone number, older people across Scotland can access both Age Scotland's independent and confidential services along with the 24/7 befriending services of The Silver Line.

During the year 2015/16 Silver Line Scotland dealt with 17,510 calls and 663 emails involving 19936 issues. The highest number of enquiries were about benefits (5,558 issues), housing and heating (1,935 issues) and non-residential care (3,138 issues).

Age Scotland produces information factsheets and works with Age UK to ensure that Age UK leaflets are suitable for use in Scotland. In 2015/16 we have created new information resources about Care Homes (for residents, friends and family, choosing a care home and what to do before you move), developed a Winter Warmer toolkit, and updated and republished our benefits information resources (State Pension, Pension Credit, Carers Allowance, Attendance Allowance and Benefits Maze). We have also worked with Action on Elder Abuse to create new information resources on Keeping Safe from Harm and Abuse and on how to help someone you are concerned about.

We have also secured "Volunteer Friendly" accreditation for our Information and Advice Team.

Influencing

This has been a successful year for Age Scotland in Policy and Communications. Notably the Charity has achieved significant success in its campaign for action on loneliness. During 2015, the Charity assisted the Scottish Parliament's Equal Opportunities Committee with an inquiry into age and social isolation, the first of its kind we know of anywhere in the world. We helped to shape the scope of the inquiry, gave detailed evidence on the prevalence, causes, impact and interventions around loneliness, and helped to promote the final report and its recommendations. We raised the profile of the issue via our and Age UK's innovative partnership with the retailer John Lewis and their "Man on the Moon" Christmas advertising campaign. We briefed MSPs in advance of a parliamentary debate in January 2016, and lobbied the Government and political parties to commit to a national strategy on tackling loneliness, which was subsequently accepted by the SNP, Conservative and Labour parties.

The Age Scotland website has been significantly redesigned, making it more user friendly while providing new information resources. The Charity has continued to expand its use of social media while improving and developing our work and relationships with national media. More than 20,000 copies of 'Advantage' magazine have been circulated. 82,000 copies of the 2016 'Hot Tips' calendar were produced and distributed to older people throughout Scotland and the comprehensive 'Housing Options: a guide for older people in Scotland' was produced.

The Housing Consultation Roadshow is currently taking place and has already visited and engaged groups in the Borders, Dumfries, Ayrshire, Caithness, Sutherland and the Western Isles. This will continue with a final report expected at the end of 2016.

Our Early Stage Dementia Project funded by the Life Changes Trust has delivered training to all staff and hundreds of participants from member groups as make the Charity dementia aware. We have developed new information resources around early stage dementia and participated in Scottish Government consultation around the third National Dementia Strategy. We have developed training specifically for workplaces to make them dementia aware and highlighted this activity in the national media.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016 (contd)

Luminate

Luminate, Scotland's creative ageing festival, celebrates our creative lives as we age. Launched in 2012, Luminate is supported by Creative Scotland, the Baring Foundation and Age Scotland. Luminate includes new work, collaborations and international projects specially planned and programmed for the festival, as well as independently-run projects led by a wide range of cultural and community organisations. There is growing evidence of the importance of creative activities to our wellbeing as we age, and Luminate wants to shine a light on the many opportunities that exist across Scotland. In addition to the public programme, Luminate includes Outreach activities which take the festival to care homes, sheltered housing communities and local groups across the country. Since 1 March 2014 Luminate is an independent charity working in partnership with Age Scotland.

Governance

Age Scotland works with Age UK (as described in the Scottish National Partnership Agreement) and the other members of the Age Network on areas of work aimed at delivering consistent and meaningful outcomes for older people in Scotland and the UK and ensuring that expertise and resources are directed towards greatest need. This work is being progressed through 5 UK wide Consortia which include representatives from Age Scotland, Age NI, Age Cymru, Age UK and the Age England Association.

The Memorandum and Articles of Association for the Charity were last updated on 12 February 2016.

Related party transactions

Trustees are required to disclose all relevant interests and register them with the Charity and in accordance with the Charity's policy withdraw from decisions where a conflict of interest arises. No Trustees received any remuneration during the year (2015 – none). Details of Trustee expenses and related party transactions are disclosed in note 8 to the accounts.

Reserves Policy

The Reserves Policy has been reviewed by Trustees during the year to 31 March 2016.

Reserves are held for three purposes:-

- To enable the charity to meet all its obligations in the event of dissolution;
- To hold sufficient liquid reserves to cushion the impact of fluctuations in legacy income from year to year;
- To hold designated or restricted reserves for a particular purpose as identified by the Board.

The Board has designated funds for the following purposes:

As at 31 st March	2015 £	2016 £
Pension scheme liability	326,000	326,000
Dilapidations	140,000	-
Grants	22,500	11,250

At 31 March 2016, £241,940 was held in unrestricted reserves (2015: £608,525) of which all (2015:80%) was held as designated funds. The balance on unrestricted reserves at the year-end represents minus 1.5 weeks of unrestricted group operating costs. It is the view of the Trustees that the charity should retain the equivalent of at least 6 months (£1.17m) unrestricted operating costs in the unrestricted reserve. The Trustees have agreed that a key target for the Charity will be to build these reserves up to that level for the foreseeable future. This will be achieved by working to an Operating Plan which delivers a surplus.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016 (contd)

Risk Statement

In 2015/16 the main areas of risk were identified as below:

Risk

Reduced public trust in the UK charity sector leads to fewer donations and impacts on Age Scotland's income and our ability to provide services and support.

Further reductions in government spending effects Age Scotland with a corresponding impact on local services and support

Fail to have an integrated IT strategy that meets all commercial, fundraising, legislative and regulatory requirements in relation to data security, and ensures that developments in digital technology are not missed.

Fail to meet our ambitious growth targets for our social enterprise and partnership businesses by not making the most of our social enterprises and partnerships.

Loss of Age UK support

Management

- We have a clear fundraising charter which addresses the concerns expressed about some fundraising practices.
- We are strengthening our fundraising with the appointment of a new Development Board
- We will continue to lobby and increase our community outreach efforts.

- We continue to apply to a broad range of funding sources to facilitate the work of Age Scotland.
- We promote our policy positions to government to influence the impact of cuts on older people

- We are conducting a detailed strategic review of our IT capability to ensure that our strategy can meet the needs and demands of our charity and social enterprises activities and more effectively leverage digital technology.

- We will ensure we secure the best possible commercial and customer terms when entering and renewing our commercial partnerships.
- Age UK Enterprises have invested in new IT systems to support their TAM network, under which Age Scotland Enterprises operates.
- We have acquired the remaining shares of Age Scotland Enterprises and it is now a wholly owned subsidiary. Three new non executive directors have been appointed to the board to help boost our growth plans for the business.

- We are discussing a new agreement with Age UK and have agreed to roll forward the terms of the existing agreement until such time that new terms are agreed.

Volunteer Contribution

Age Scotland benefited from the contribution of over 250 volunteers across Scotland in 2015/16. Volunteers contributed to our Information & Advice team including the Silver Line Scotland Helpline, Fundraising, with Now and Next (our pre-retirement training) and in our retail shops.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016 (contd)

Investment Policy

The Charity's investment policy is set in place with the objectives of reducing risk, increasing income and addressing ethical issues.

Grant Making Policy

Our grant programme welcomes applicants for projects and activities which contribute to Age Scotland's strategic goals.

Going Concern

The Trustees have assessed the Charity's financial position and, taking into account the significant restructure implemented during the year, coupled with a clear focus on building the Charity's reserves, they have a reasonable expectation that the Charity will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accountancy in preparing the annual financial statements. The Trustees have committed to building the Charity's unrestricted reserves to a level equivalent to at least six months operating costs. This will be one of the Charity's core focuses for the foreseeable future.

Key Performance Indicators

The Trustees have agreed that the key performance indicators for the next 12 months will be as follows:

Outcome	KPI
People have positive views of ageing and later life	Number of opportunities Age Scotland obtains or utilises to participate in developing, implementing and evaluating policy and practice affecting older people
Older people keep well	Engagement with AHP programme and Early Stage Dementia events
Older people are not lonely	Number of friendship calls received
Engage and involve people	Number of applicants for advertised staff roles with the charity
Be a well-run charity	Retaining unrestricted reserves equivalent to at least 6 months operating costs
Measure and evaluate our impact	Evaluations conducted and used for external purposes (including annual reviews and funding applications).

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016 (contd)

Trustees

The Trustees of the company who served during the year were as follows:-

Paul Adams, Chair (resigned 15 June 2016)
Lord George Foulkes, Vice Chair (Chair from 15 June 2016)
Tom O'Connell, Treasurer
Sue Holloway
William Martin (appointed 17 June 2015, resigned 18 November 2015)
Professor Brendan McCormack
Dorothy McLaughlin (Vice Chair from 15 June 2016)
Suzanne Munday
Ken Nicholson
Dr Alasdair Rutherford
Pennie Taylor
Glenda Watt
Professor John Williams (resigned 17 June 2015)
Mike Douglas (appointed 17 June 2015, resigned 12 February 2016)
Alison Harrington (appointed 23 March 2016)
Professor Geoff Palmer (appointed 15 June 2016)
Professor Marion McMurdo (appointed 15 June 2016)

In 2015/16 the Board was made up of elected Trustees representing Membership Regions and Age UK, and of Trustees coming onto the Board via the Finance & Risk Committee. The Board may also include up to three co-opted Trustees. All Trustees receive an induction and ongoing training.

Governing Instrument, Structure, Management & Administration Details

Age Scotland Limited is a company limited by guarantee, governed by its Memorandum and Articles of Association.

In 2015/2016 the Trustees/Directors of the company delegated the management to:

Brian Sloan, Chief Executive
Katie Docherty, Head of Charity Services
Derek McKinley, Head of Financial Operations
Elaine Smurthwaite, Head of Resources
Logan Steele, General Manager Age Scotland Enterprises

Age Scotland Limited is a company registered in Scotland, company number SC153343. The company is also a registered charity, SC010100.

Key management remuneration is set by sector benchmarking and with the agreement of the Honorary Officers.

The Trustees have taken advantage of the special exemption conferred by section 62 of the Companies Act 2006 applicable to companies limited by guarantee, allowing them to dispense with the requirement of using the word Limited, or the abbreviation Ltd. after the company name.

The company participated in a joint venture with Age UK Enterprises Limited, named Age Scotland Enterprises Ltd. formerly Age Concern Enterprises (Scotland) Ltd, until 31 March 2016 when it acquired the remaining 50% share, as disclosed in Note 24. The company sells insurance and other products specifically designed for older people and pays all of its profits by gift aid.

The company has a wholly owned subsidiary company, Age Scotland Trading Ltd, which is responsible for the trading activities of the retail charity shops, the leases for which are held by Age Scotland.

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2016**

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016 (contd)

Plans for the future

Age Scotland continually reviews its Strategic Plan against the external environment in which we operate. In 2015/16 a refresh of the plan was undertaken, leading to three Strategic Aims being agreed by the Board;

- We promote positive views of ageing and later life
- We help older people to be as well as they can be
- We tackle isolation and loneliness

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Basis of Preparation

This report is prepared in accordance with the Charities SORP (FRS102) and in accordance with the provisions applicable to companies subject to the small companies regime of the Companies Act 2006.

Approved by the Trustees and signed on their behalf by:



George Foulkes

Chair

Edinburgh

14 September 2016

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

Statement of Trustees' responsibilities

The Trustees (who are also the Directors of Age Scotland) are responsible for preparing the Strategic Report, the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity and company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees 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 group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF AGE SCOTLAND

We have audited the financial statements of Age Scotland for the year ended 31 March 2016 which comprise as the Consolidated and Charity Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the statement of Consolidated Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees and members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (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 auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

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

**AGE SCOTLAND
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF AGE SCOTLAND (contd)

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 or 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 trustees were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption from the requirements to prepare a strategic report.

Bao W

Martin Gill, Senior Statutory Auditor

for and on behalf of BDO LLP, Statutory Auditor

Edinburgh

United Kingdom

Date: *22 September 2016*

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2016

(Including Consolidated Income and Expenditure Account)

	Notes	2016			2015		
		Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
Income from:							
Donations & Legacies		1,982,987	198,000	2,180,987	2,027,229	86,117	2,113,346
Other Trading activities		1,262,113	-	1,262,113	1,581,720	-	1,581,720
Investments		1,268	-	1,268	14,951	-	14,951
Income from charitable activities		36,724	773,046	809,770	25,343	853,258	878,601
Total Income incl share of JV		3,283,092	971,046	4,254,138	3,649,243	939,375	4,588,618
Less Share of gross income from joint ventures		(759,874)	-	(759,874)	(745,928)	-	(745,928)
Total income	3	2,523,218	971,046	3,494,264	2,903,315	939,375	3,842,690
Expenditure on:							
Costs of raising funds		712,711	2,000	714,711	806,797	-	806,797
Fundraising trading; costs of goods sold and other costs		1,120,612	124,595	1,245,207	1,016,174	68,704	1,084,878
<i>Charitable activities</i>							
Fieldwork and Service Delivery		1,115,398	699,796	1,815,194	1,479,266	612,689	2,091,955
Policy		274,430	134,476	408,906	291,385	144,089	435,474
Total expenditure	4	3,223,151	960,867	4,184,018	3,593,622	825,483	4,419,105
Other recognised gains and losses							
Realised loss on investments		-	-	-	(18)	-	(18)
Net income / expenditure before transfers		(699,933)	10,179	(689,754)	(690,325)	113,892	(576,433)
Transfers between funds	20	(35,150)	35,150	-	295	(295)	-
Net income / expenditure before interests in joint venture		(735,083)	45,329	(689,754)	(690,030)	113,597	(576,433)
Net interest in the results for the year in the joint venture		368,498	-	368,498	334,175	-	334,175
Net movement in funds		(366,585)	45,329	(321,256)	(355,855)	113,597	(242,258)
Reconciliation of Funds							
Funds brought forward		608,525	238,328	846,853	964,380	124,731	1,089,111
Balance at 31 March 2016	21	241,940	283,657	525,597	608,525	238,328	846,853

The statement of financial activities includes all gains and losses recognised in the year. All activities relate to continuing activities.

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2016**

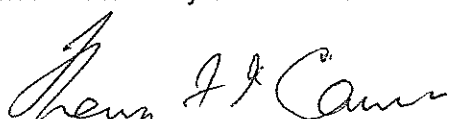
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

	Notes	2016		2015	
		£	£	£	£
Tangible fixed assets	11a		124,505		119,916
Goodwill	24		2,260		-
Investments					
Investments in joint ventures					
- share of gross assets	2b	-		238,388	
- share of gross liabilities	2b	-		(236,030)	
			-		2,358
			126,765		122,274
Current Assets					
Investments	13b	5,326		5,326	
Stock	14	6,156		14,102	
Debtors	15	831,186		849,677	
			842,668		869,105
Cash at bank and in hand			1,103,833		666,884
			1,946,501		1,535,989
Creditors:					
Amounts falling due within one year	16	(1,289,497)		(762,338)	
Net current assets			657,004		773,651
			783,770		895,925
Creditors:					
Amounts falling due after more than one year	16	(35,500)		(49,072)	
Provisions for liabilities	16a	(222,673)		-	
Net Assets			525,597		846,853
Unrestricted Funds	18				
Designated Funds					
Pension Liability		326,000		326,000	
Dilapidations		-		140,000	
Grants		11,250		22,500	
		337,250		488,500	
General Funds		(95,310)		120,025	
			241,940		608,525
Restricted Funds	20				
Income Funds			283,657		238,328
			525,597		846,853

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

Approved and authorised for issue by the Board of Trustees on 14 September 2016 and signed on its behalf by:

Tom O'Connell C.A.



Treasurer

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2016**

STATEMENT OF CONSOLIDATED CASH FLOWS

	2016	2015
Net expenditure for the period	(689,754)	(576,433)
Adjustments for:		
Depreciation	67,018	71,478
Realised loss on investments	—	18
Loss on disposal of fixed assets	12,835	—
Increase in share of net assets of JV	50	(1,894)
Interest and dividends receivable	(1,268)	(14,951)
Decrease in stocks	7,946	6,431
Decrease/(increase) in debtors	(45,133)	(151,392)
Increase/(decrease) in creditors	814,083	(5,807)
Net cash used in operating activities	<u>165,777</u>	<u>(672,550)</u>
 Cash flows from investing activities:		
Interest and dividends receivable	1,268	14,951
Proceeds from disposal of PPE	—	—
Proceeds from disposal of investments	—	—
Purchase of PPE	(84,442)	(6,609)
Net interest in the results of the JV	136,657	334,175
Acquired on acquisition	4,619	—
Net cashflow from investing activities	<u>58,102</u>	<u>342,517</u>
 Cashflow from financing activities:		
Payments of HP	(5,460)	(5,460)
Cash inflows from borrowing	323,225	—
Repayment of borrowings	(114,408)	—
Net cash in financing activities	<u>203,357</u>	<u>(5,460)</u>
 Net cash brought forward	<u>666,884</u>	<u>1,002,377</u>
 Net movement in cash and cash equivalent	436,949	(335,493)
 Cash and Cash equivalents carried forward	1,103,833	666,884

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2016 (Including Income and Expenditure Account)

	2016			2015		
Notes	Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
Income from:						
Donations & Legacies	1,591,611	198,000	1,789,611	1,613,163	86,117	1,699,280
Other Trading Activities	479,045	-	479,045	678,033	-	678,033
Investment	1,351	-	1,351	17,526	-	17,526
Charitable activities	36,724	773,046	809,770	25,342	853,258	878,600
Total income	2,108,731	971,046	3,079,777	2,334,064	939,375	3,273,439
Expenditure on:						
<i>Raising Funds</i>						
Costs of generating voluntary income	62,103	2,000	64,103	20,935	-	20,935
Fundraising trading; costs of goods sold and other costs	897,836	124,595	1,022,431	1,247,048	68,704	1,315,752
<i>Charitable activities</i>						
Fieldwork & Service Delivery	1,115,398	699,796	1,815,194	1,479,266	612,689	2,091,955
Policy	274,430	134,476	408,906	291,385	144,089	435,474
Total expenditure	2,349,767	960,867	3,310,634	3,038,634	825,483	3,864,116
Other recognised gains and losses						
Unrealised Gain/(Loss) on Investments	-	-	-	-	-	-
Realised Gain/(Loss) on Investments	-	-	-	(18)	-	(18)
Net income/expenditure before transfers	(241,036)	10,179	(230,857)	(704,588)	113,892	(590,695)
Transfers between funds	(35,150)	35,150	-	295	(295)	-
Net movement in funds	(276,186)	45,329	(230,857)	(704,293)	113,597	(590,695)
Reconciliation of Funds						
Funds brought forward	492,612	238,328	730,941	1,196,905	124,731	1,321,636
Balance at 31 March 2016	216,426	283,657	500,083	492,612	238,328	730,941

The statement of financial activities includes all gains and losses recognised in the year. All activities relate to continuing operations.

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2016**

CHARITY BALANCE SHEET AS AT 31 MARCH 2016

		2016	2015
	Notes		
Tangible fixed assets	11b	48,316	61,971
Investments	13a	<u>1,100</u>	<u>1,050</u>
		49,416	63,021
Current Assets			
Investments	13b	5,326	5,326
Debtors	15	<u>959,586</u>	<u>769,755</u>
		964,912	775,081
Bank and Cash in hand		<u>664,048</u>	<u>631,570</u>
		1,628,960	1,406,651
Creditors:			
Amounts falling due within one year	16	<u>(920,121)</u>	<u>(689,659)</u>
Net current assets		<u>708,839</u>	<u>716,992</u>
		758,256	780,013
Creditors:			
Amounts falling due after more than one year	16	(35,500)	(49,072)
Provision for liabilities	16a	<u>(222,673)</u>	<u>-</u>
Net Assets		<u>500,083</u>	<u>730,941</u>
Unrestricted Funds	19		
Designated Funds			
Pension Liability		326,000	326,000
Dilapidations		-	140,000
Grants		<u>11,250</u>	<u>22,500</u>
		337,250	488,500
General Funds		<u>(120,824)</u>	<u>4,113</u>
		216,426	492,613
Restricted Funds	20		
Income Funds		<u>283,657</u>	<u>238,328</u>
		<u>500,083</u>	<u>730,941</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

Approved and authorised for issue by the Board of Trustees on 14 September 2016 and signed on its behalf by:

Tom O'Connell C.A.



Treasurer

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Basis of accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These accounts are the first financial statements prepared under FRS102 and the information on the first time adoption of FRS102 is given in Note 26.

Age Scotland meets the definition of a public benefit entity under FRS102.

The preparation of the financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires the Charity to exercise judgement in applying the entity accounting policies (see below).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes, except for current asset investments which are included at fair value with subsequent measurement through the Statement of financial activities.

Consolidation

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity, its subsidiary undertakings Age Scotland Trading Limited and Age Scotland Enterprises Limited. Age Scotland Enterprises Limited was acquired on 31 March 2016. Until then, it was a joint venture with Age Scotland holding a 50% shareholding.

The results of Age Scotland Trading are consolidated on a line-by-line basis. Whilst the group wholly owned the assets of Age Scotland Enterprises at 31 March and these are reflected in the consolidated balance sheet, the consolidated SOFA includes only a 50% share of profits.

Going Concern

On the basis of their assessment of the Charity's financial position, the Trustees have a reasonable expectation that the Charity will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accountancy in preparing the annual financial statements. The Trustees have committed to building the Charity's unrestricted reserves to a level equivalent to at least six months operating costs. This will be one of the Charity's core focuses for the foreseeable future.

Stocks

Stocks of publications are charged to revenue when purchased. Stock is valued at the lower of cost and net realisable value.

Fixed assets and capital grants

Fixed assets are included in the balance sheet at cost. Depreciation is provided in the month in which the assets are brought into use. The rates of depreciation used are calculated to write off the cost less estimated value evenly over the useful life as follows:-

Buildings leasehold	20%
Leased property improvements	10%
Office equipment	20%
Computer equipment	20%-33%
Fixtures, fittings & equipment	20%

Amounts under £500 are not capitalised.

Grants received in respect of fixed assets expenditure are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Depreciation on these assets is charged against the capital fund in the Statement of Financial Activities.

Investments

Current asset investments are included at fair value as income at the date of gift. Investments are included in the balance sheet at market value at the balance sheet date.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Contd)

1. Accounting Policies (contd)

Fixed asset investments are stated at cost less any provision for impairment.

Pensions

The company operates a defined contribution pension scheme and the pension charge in the statement of financial activities represents the amounts payable by the company to the fund in respect of the year.

The company previously operated a defined benefit pension scheme. Following a crystallisation event on 1 December 2005, the scheme has now been terminated. The Board has taken a prudent view and has provided for a potential liability of £326,000 in these statements while discussions are ongoing regarding the technicalities of the matter.

Operating Leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease. This is released over the remaining lease term.

Dilapidation provisions

Where the Group has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued as the 'wear and tear' occurs.

Expenditure

Direct costs are charged to the charitable activities and support costs are allocated on a relevant basis. Recharges of support costs are made to cost centres throughout the year on a percentage based on staff numbers, split as follows:

	Fundraising	Charity Community Services	Policy
Property, admin & management charges	11%	77%	12%

Governance costs are charged directly and include audit fees and committee expenses.

Fund accounting

Funds held by the charity are either:

- Unrestricted general funds – these are funds, which can be used in accordance with the charitable objects at the discretion of the Trustees.
- Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by donor or when funds are raised for particular restricted purposes.

Investment income

Current asset income is recognised in the accounts when receivable by the charity. The gift aid received from the subsidiary company, Age Scotland Trading Limited and the joint venture company, Age Scotland Enterprises Limited is recognised in the year in which it is earned.

Donations & Legacies

Donations and Legacies are accounted for when receivable. The recognition criteria are entitlement, probable and measurement. The recognition criteria adopted is 1. Entitlement; 2. Probable and 3. Reliably Measured.

Grants receivable

Grants receivable are credited to the statement of financial activities in the year in which they are receivable.

Gifts-in-Kind

Donated facilities and services are included in the statement of financial activities in the year in which they are utilised at the value the charity estimates it would pay in the open market for an equivalent service or facility of equivalent utilities. An equivalent amount is included as expenditure under the appropriate heading in the statement of financial activities.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Contd)

1. Accounting Policies (contd)

Related party transactions

The group has taken advantage of the available exemption from disclosing details of transactions with other group entities, in accordance with FRS102, on the basis that the transactions and balances have been eliminated on consolidation.

Transactions with the wholly owned subsidiaries are disclosed at Note 2.

Transactions with directors are disclosed at Note 8.

Key management compensation is disclosed at Note 8.

Cash flow and Liquid resources

Cash flows comprise increases and decreases in cash and include cash in hand and cash at bank. Liquid resources comprise assets held as a readily disposable store of value. They include cash term deposits and bank notice accounts. Cash and cash equivalents comprise cash at bank and cash on deposit where funds can be accessed without penalty within three months.

Financial instruments

Financial assets and liabilities are initially measured at transaction price (including transaction costs). The Group only has financial assets and liabilities of a kind that qualify as basic financial instruments. An analysis is given in note 23.

Holiday pay

In applying FRS 102, the accounting policies now require the recognition of a liability for unpaid holiday pay. A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Termination benefits

Age Scotland accepts that there are occasions when it may be necessary to make staff redundant and terminate their employment; our intention is to manage the business in a manner which results in secure employment for our employees and will always try to avoid the need for compulsory redundancies. Payments for redundancy are calculated on the basis of paying the statutory entitlements or above.

Key judgements and areas of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

In determining whether an onerous lease provision is required, the discount factor used determines the present value of future payments is the group's weighted average cost of capital. This has been applied to the onerous element of the future payments to be made under the leases:

- Dilapidations provision has been determined using historical professional advice, adjusted for timings and taking account of subsequent negotiated reductions for similar properties.
- The Pension provision is based on an assessment from Lothian Pension Fund and has been included in these statements as a matter of prudence whilst negotiations regarding technicalities of the matter are ongoing.

Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Contd)

sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. If a reliable estimate cannot be made, the useful life of goodwill is presumed to be 5 years..

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

2. Financial activities of the subsidiaries

(a) Age Scotland Trading Limited

The loss retained by Age Scotland Trading Ltd (SC352746) this year is £80,686 (2015: Loss £192,064) after tax. A summary of the trading results is shown below:-

	2016 £	2015 £
Turnover	1,126,353	1,473,774
Cost of sales & administration costs	(1,207,039)	(1,665,838)
Net Profit (loss)	(80,686)	(192,064)
Retained in subsidiary	(80,686)	(192,064)
The assets and liabilities of the subsidiary were:		
Fixed assets	23,849	57,945
Current assets	99,523	129,341
Current liabilities	(627,639)	(610,867)
Long term liabilities	-	-
Total net assets	(504,268)	(423,581)
Aggregate share capital and reserves	(504,268)	(423,581)

The Charity holds 1,000 Ordinary £1 shares in Age Scotland Trading Ltd, representing 100% of the issued share capital.

(b) Age Scotland Enterprises Limited

Age Scotland Enterprises Limited (SC199856), is incorporated in Scotland, and provides general insurance services and matters relating to the general insurance business. The charity owned half of the ordinary share capital of £100 until the remaining 50% share was acquired by the Charity on 31 March 2016, as disclosed in Note 24. The company pays all of its profits by gift aid. In the current financial year, the company paid £368,498 (2015: £332,277) to the charity by gift aid. A summary of the charity's share of the trading results is shown below:-

	2016 £	2015 £
Turnover	1,519,747	1,491,856
Cost of sales & administration costs	(782,750)	(823,512)
Interest Receivable	-	-
Net Profit	736,997	668,344
Amount gift aided to JV partner	(368,499)	(332,277)
Amount gift aided to the Charity	(368,498)	(332,277)
Share retained in Joint Venture	-	3,790
The Charity's share of assets and liabilities of the joint venture were:		
Fixed assets	52,340	56,800
Current assets	513,486	419,976
Current liabilities	(561,110)	(472,060)
Total net assets	4,716	4,716
Aggregate share capital and reserves	4,716	4,716
Interests in share of Net Assets	4,716	2,358

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2016**

NOTES TO THE FINANCIAL STATEMENTS (Contd)

3. Income - Group

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Donations & Legacies				
Donations & gifts	131,935	-	131,935	103,247
Legacies	948,697	103,000	1,051,697	1,069,093
Trust and Corporates	86,180	35,000	121,180	115,079
Age Scotland Enterprises	759,874	-	759,874	745,928
Core Grant	56,300	60,000	116,300	80,000
	<u>1,982,987</u>	<u>198,000</u>	<u>2,180,987</u>	<u>2,113,347</u>
Other Trading Activities				
Appeal	16,748	-	16,748	22,933
Individuals	45,712	-	45,712	-
Property	73,300	-	73,300	67,698
Retail	-	-	-	25,000
Age Scotland Trading Ltd	1,126,353	-	1,126,353	1,465,818
	<u>1,262,113</u>	<u>-</u>	<u>1,262,113</u>	<u>1,581,719</u>
Investment				
Interest	1,193	-	1,193	14,951
Dividends	75	-	75	-
	<u>1,268</u>	<u>-</u>	<u>1,268</u>	<u>16,179</u>
Charitable Activities				
Fieldwork & service delivery	36,724	647,033	683,757	750,312
Policy	-	126,013	126,013	128,288
	<u>36,724</u>	<u>773,046</u>	<u>809,770</u>	<u>878,601</u>
Less: Share of gross income from joint venture	<u>(759,874)</u>	<u>-</u>	<u>(759,874)</u>	<u>(745,928)</u>
Total income	<u>2,523,218</u>	<u>971,046</u>	<u>3,494,264</u>	<u>3,842,690</u>

Activities for generating funds consist of assorted appeals, donations, sponsored events and subsidiary and joint venture income.

Grant income

Included in restricted income are the following receipts of grants:

FUNDER	2016 £	2015 £
Scottish Government		
- Helpline	105,472	105,472
- Housing	126,013	126,250
- Core grant	60,000	80,000
Silver Line		
- Silver Line (Scotland)	138,936	180,331

Significant grant support has been received from the Scottish Government, most of which is restricted to accomplish the work of various projects.

AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Contd)

4. Expenditure - Group

	Activities Undertaken £	Support Costs £	2016 Total £	2015 Total £
Raising Funds				
Cost of generating voluntary income	45,463	-	45,463	1,494
Fundraising trading; costs of goods sold and other costs	18,639	-	18,639	19,441
Age Scotland Trading Ltd	650,609	-	650,609	785,862
	<u>714,711</u>	<u>-</u>	<u>714,711</u>	<u>806,797</u>
Fundraising costs of goods sold and other costs				
Fundraising	291,387	96,068	387,455	344,589
Property	644,689	-	644,689	432,977
Age Scotland Trading Ltd	213,063	-	213,063	307,313
	<u>1,149,139</u>	<u>96,068</u>	<u>1,245,207</u>	<u>1,084,879</u>
Charitable activities				
Fieldwork & Service delivery	1,162,461	652,733	1,815,194	2,091,955
Policy	309,353	99,553	408,906	435,474
	<u>1,471,814</u>	<u>752,286</u>	<u>2,224,100</u>	<u>2,486,929</u>
Total expenditure	<u>3,335,665</u>	<u>848,354</u>	<u>4,184,019</u>	<u>4,419,105</u>

5. Support Costs

	Fundraising £	Fieldwork & Service Delivery £	Policy £	Total £	2015 £
Property	19,100	129,772	19,792	168,663	179,937
Administration	38,509	261,646	39,905	340,016	1,044,000
Management	34,590	235,023	35,845	305,459	333,441
Governance	3,870	26,292	4,010	34,171	42,287
	<u>96,068</u>	<u>652,733</u>	<u>99,553</u>	<u>848,354</u>	<u>1,554,990</u>
Governance costs:	2016 £	2015 £			
Audit fees	8,000	7,800			
Non audit/professional fees	22,450	28,910			
AGM & Directors expenses	3,721	5,577			

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Contd)

6. Grants Payable – Group and Charity

Grants payable are debited to the financial statements in the year in which they are awarded.

Included within costs of charitable activities are the following grants paid to member groups:-

Name of Group	2016 £	2015 £
Abbeyview Day Centre	1,672	-
Aberdeen Illness & Disability Advice Service	-	1,330
Acredale House	-	3,000
Active seniors	1,375	-
Age Concern Cupar	-	1,248
Age Concern Dundee	-	2,400
Age Concern Girvan	-	594
Age Concern Orkney	-	2,085
Age Concern West Kilbride	-	3,000
Age Concern Vale of Leven	3,000	-
Arbroath Town Mission	-	1,500
Art in Healthcare	-	2,485
Artlink Central	-	1,000
Bingham and district 50+	1,320	-
Broomlands & Bourtrees Hill Age Concern	-	500
CACE (Cumbernauld Action Care of the Elderly)	-	4,000
Carloway Sunshiners	-	1,150
Carron Connect Partnership	-	1,541
Citadel Arts Group	1,300	640
CLASP	1,200	-
Dalbeattie Friendship Club	-	600
Dalbeattie Mens Shed	1,063	-
Dance House	-	3,500
Deveron Care Concern	-	2,787
Discovery Award Association	1,180	-
Ellon & District Mens Shed	1,165	-
Engaging With Activity CIC	2,400	-
Food Train Dumfries & Galloway	-	3,800
Footprints Connect	-	950
Fordyce Community Association	1,500	-
Fraser River Tower Residents' Association	-	450
Friends of Dovecot	-	3,240
Gilmerton 60+ Group	-	675
Glasgow Old People's Welfare Association	22,500	-
Grampian 50+ Network	-	457
Grangemouth Community Care	-	1,150
Hawick Senior Citizens Association	2,470	-
Highland Senior Citizens Network	-	1,200
Hollies Day Centre	1,300	-
Indian Cultural Festival Committee	1,310	-
Inverness Caledonian Thistle Development Trust	-	1,682
Kilkdonan & Kilmory Sen. Cit.	-	800
Kirkconnel Old People's Welfare Organisation	-	2,200
Kinloch Historical Society	3,300	-
Let's Sing	1,630	-
Lightburn Elderly Association	-	5,000
Loreburn Retirement Group	-	500
Luminate	5,302	5,148
Carried forward	<u>54,987</u>	<u>60,612</u>

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Contd)

Name of Group	2016 £	2015 £
Brought forward	54,987	60,612
Lynedoch 2013 Eventer	-	-
Manor & Castle Community Association	-	1,000
Merkinch Community Centre	1,180	-
Nan McKay Community Hall	-	2,750
Nithsdale Walking Works	-	5,970
North Coast Connection	-	2,875
Old Farm Court Social Club	-	885
Pakistan Society Advice & Information	2,640	-
Penpoint Friendship Club	-	935
Perthshire Woodcrafters	-	1,500
Primrose Day Centre	-	2,000
Roseburn House Residents Association	-	1,000
Ross County Foundation	1,640	-
Shanti Bhavan Social & Culture Centre	-	2,000
Shopper-Aide Ltd	-	2,450
Silver Darlings Club	-	1,000
South Kintyre Seniors Forum	-	1,700
Springburn Alive and Kicking	-	3,245
St Georges & St Peters Community Association	1,500	-
Terra Incognita Arts	-	1,825
The Broomhouse Centre	-	2,200
Tour2Day	-	2,029
Voice of Experience Forum	2,500	-
< £1,000	16,979	49,986
Total	81,426	145,962

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (contd)

7. Operating surplus for the year

The group operating surplus for the year is stated after charging

	2016 £	2015 £
Auditors Remuneration		
- Audit of charity	8,000	7,800
- Audit of subsidiary	2,500	2,475
- Other fees	1,715	5,515
Depreciation	52,437	71,478
Operating lease costs	481,916	461,266

8. Staff numbers and costs

The average weekly number of full-time equivalent employees during the year was:

	2016 Number	2015 Number
Charitable work	39	50
Administration	8	10
Fundraising	4	5
	<u>51</u>	<u>65</u>

The aggregate remuneration and associated costs of the employees were:

	2016 £	2015 £
Wages and salaries	1,496,521	1,600,386
Social Security costs	130,670	136,419
Pension costs	88,860	82,765
Termination benefits	113,802	8,084
	<u>1,829,853</u>	<u>1,827,654</u>

One employee earned between £60,000 & £70,000 per annum (2015: one employee). Travel expenses totalling £2,051 (2015: £3,463) were paid to nine of the Trustees (2015: nine Trustees).

No Trustee received any remuneration (2015: £Nil) during the year.

The Key management personnel of both the parent charity and the group comprise the Chief Executive Officer, Head of Financial Operations, Head of Charity Services and Head of Resources. The total employee benefits of the key management personnel of the Charity were £232,689 (2015: £241,276).

9. Investment Income

Investment income represents interest receivable on bank deposits and dividends received.

10. Taxation

The company is a charitable company within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

**AGE SCOTLAND
FOR THE YEAR ENDED 31 MARCH 2016**

NOTES TO THE FINANCIAL STATEMENTS (Contd)

11(a). Tangible Fixed Assets – Group

	Leased Property Improvements £	Office Equipment £	Fixtures, Fittings & Equipment £	2016 Total £	2015 Total £
Cost					
As at 1 April 2015	238,232	770,084	18,267	1,026,583	1,019,974
Added on acquisition	-	-	66,922	66,922	-
Additions	-	17,520	-	17,520	6,609
Disposals	(36,821)	-	-	(36,821)	-
As at 31 March 2016	201,411	787,604	85,189	1,074,204	1,026,584
Depreciation					
As at 1 April 2015	179,120	716,221	11,324	906,665	835,188
Added on acquisition	-	-	14,583	14,583	-
Charge	21,148	27,636	3,653	52,437	71,478
Disposals	(23,986)	-	-	(23,986)	-
As at 31 March 2016	176,282	743,857	29,560	949,699	906,666
Net Book Value					
As at 31 March 2016	25,129	43,747	55,629	124,505	119,916
As at 31 March 2015	59,112	53,306	7,500	119,916	184,787

11(b). Tangible Fixed Assets – Charity

	Leased Property Improvements £	Office Equipment £	2016 Total £	2015 Total £
Cost				
As at 1 April 2015	124,371	768,890	893,262	886,653
Additions	-	14,289	14,289	6,609
Disposals	-	-	-	-
As at 31 March 2016	124,731	783,179	907,550	893,262
Depreciation				
As at 1 April 2015	115,705	715,585	831,290	786,477
Charge	1,444	26,499	27,944	44,814
As at 31 March 2016	117,149	742,084	859,234	831,291
Net Book Value				
As at 31 March 2016	7,222	41,095	48,316	61,971
As at 31 March 2015	8,666	53,305	61,971	100,176

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Contd)

12. Tangible Fixed Assets – Charity (contd)

The net book value of, and depreciation charge for the year on, tangible fixed assets includes assets held under finance leases and hire purchase contracts as follows:

	CHARITY		GROUP	
	2016 £	2015 £	2016 £	2015 £
Net Book Value:				
Office Equipment	6,511	9,405	6,511	9,405
Depreciation charged:				
Office Equipment	2,894	2,894	2,894	2,894

13. Investments

(a) Fixed Assets

	CHARITY		GROUP	
	2016 £	2015 £	2016 £	2015 £
Investment in joint venture	-	50	-	50
Investment in subsidiary	1,100	1,000	-	-
	1,100	1,050	-	50

	2016 £	2015 £
Joint Venture		
Share of Assets		
Share of Fixed Assets	-	37,400
Share of Current Assets	-	200,988
	-	238,389
Share of liabilities		
Due within one year or less	-	(236,030)
	-	
Share of net assets	-	2,358

Following acquisition on 31 March 2016, Age Scotland owns all 100 ordinary £1 shares of Age Scotland Enterprises Limited. The share of assets and liabilities are disclosed in Note 2b of these statements. Prior to 31 March 2016, Age Scotland held a 50% interest in the joint venture. The share of net assets and liabilities is as disclosed above for the prior year balance sheet date.

Age Scotland owns all 1,000 ordinary £1 shares of Age Scotland Trading Limited. Investments in subsidiaries are held at cost.

(b) Current Assets - Group and Charity

	2016 £	2015 £
Market value as at 1 April 2015	5,326	5,344
Additions	-	-
Disposals	-	-
	5,326	5,344
Change in Market Value in year	-	(18)
	5,326	5,326
Market Value as at 31 March 2016	5,326	5,326
Historical cost	3,480	3,480

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Contd)

14. Stock

	CHARITY		GROUP	
	2016	2015	2016	2015
	£	£	£	£
Stock	-	-	6,156	14,102

15. Debtors

	CHARITY		GROUP	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	33,457	36,504	36,658	45,427
Accrued income	807,627	648,052	572,129	648,052
Other debtors	2,900	20,819	159,381	44,350
Prepayment	55,631	64,380	63,018	111,847
Due from group undertakings	59,971	-	-	-
	<u>959,586</u>	<u>769,755</u>	<u>831,186</u>	<u>849,676</u>

Included in debtors due from group undertakings is an amount of £Nil (2015: £Nil) which is due in more than one year.

16. Creditors:

Amounts falling due within one year

	CHARITY		GROUP	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	62,093	56,620	77,140	93,257
HP creditor	1,820	5,460	1,820	5,460
Pension scheme liability	326,000	326,000	326,000	326,000
Other creditors	106,020	122,442	436,793	150,957
Other taxes and social security costs	21,829	45,977	45,385	53,504
Age UK Loan	208,817	-	208,817	-
Deferred income (note 17)	193,542	133,160	193,542	133,160
	<u>920,121</u>	<u>689,659</u>	<u>1,289,497</u>	<u>762,338</u>

Amounts falling due after more than one year

	CHARITY		GROUP	
	2016	2015	2016	2015
	£	£	£	£
HP creditor	-	1,820	-	1,820
Other creditor	35,500	47,252	35,500	47,252
	<u>35,500</u>	<u>49,072</u>	<u>35,500</u>	<u>49,072</u>

16a Provisions for liabilities

	CHARITY		GROUP	
	2016	2015	2016	2015
	£	£	£	£
Onerous leases	122,541	-	122,541	-
Dilapidations	100,132	-	100,132	-
	<u>222,673</u>	<u>-</u>	<u>222,673</u>	<u>-</u>

The onerous leases provision covers costs associated with satisfying the remaining lease costs on retail shops closed as part of the restructure.

The dilapidations provision is the estimated costs of making good all current retail shops when they reach the end of their leases.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Contd)

17. Deferred Income – Group and Charity

	£
Balance at 1 April 2015	133,160
Recognised in the year	(64,840)
Deferred in the year	125,222
	<hr/>
Balance at 31 March 2016	193,542

This is project funding for 1 FTE Allied Health Professional who will be working with the Charity for the next year and income for events taking place in 2016-17.

18. Unrestricted Funds – Group

	Balance at 31 March 2015 £	Income £	Expenditure £	Transfers £	Unrealised / realised gain on Investment £	Balance at 31 March 2016 £
General funds	120,025	2,891,716	(3,100,519)	(6,532)	-	(95,310)
Designated Fund:						
Pension scheme liability	326,000	-	-	-	-	326,000
Dilapidations	140,000	-	(100,132)	(39,868)	-	-
Grant Fund	22,500	-	(22,500)	11,250	-	11,250
Total	<hr/> 608,525	<hr/> 2,891,716	<hr/> (3,223,151)	<hr/> (35,150)	<hr/> -	<hr/> 241,940

The Designated Funds are made up of unrestricted income which is set aside from unrestricted funds.

In 2015/16 the Board has designated funds for two purposes: pension scheme liability - £326,000 and grants - £11,250.

19. Unrestricted Funds – Charity

	Balance at 31 March 2015 £	Income £	Expenditure £	Transfers £	Unrealised / realised gain on Investment £	Balance at 31 March 2016 £
General funds	4,112	2,108,731	(2,227,135)	(6,532)	-	(120,824)
Designated Fund:						
Pension scheme liability	326,000	-	-	-	-	326,000
Dilapidations	140,000	-	(100,132)	(39,868)	-	-
Grant Fund	22,500	-	(22,500)	11,250	-	11,250
	<hr/> 492,612	<hr/> 2,108,731	<hr/> (2,349,767)	<hr/> (35,150)	<hr/> -	<hr/> 216,426

The Designated Funds are made up of unrestricted income which is set aside from unrestricted funds.

In 2015/16 the Board has designated funds for two purposes; pension scheme liability - £326,000 and grants - £11,250. The value of the pension scheme fund liability is as advised by Lothian Pension Fund. The Board has taken a prudent view and provided for the full potential liability whilst discussions on the technicalities of the matter are ongoing. The £11,250 grant relates to a payment to be made to Glasgow Old People's Welfare Association under an agreement which expires in January 2017.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Contd)

20. Restricted funds – Group and Charity

	Balance at 31 March 2015 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2016 £
Scottish Government	-				
Housing	11,794	126,014	(113,361)	-	24,447
Allied Health Professional	(18)	60,762	(60,738)	-	6
Core Grant					
Advantage Magazine	-	20,000	(21,114)	1,114	-
Networking in Regions	-	8,000	(5,207)	-	2,793
National Conference	-	14,000	(14,000)	-	-
Helpline Grant	-	105,472	(129,019)	23,547	-
Silver Line Grant	16,866	138,963	(131,521)	-	24,308
Health Information	40,732	44,807	(37,248)	-	48,291
Scottish Legal Aid Board-Making Advice Work	-	706	(705)	(1)	-
North Lanarkshire Council	-	3,990	(3,990)	-	-
Pre- Retirement Training	93,015	-	(124,596)	31,581	-
Age UK					
E-ON	1,618		(106)	(1,512)	
Information Outreach Worker	34,010	-	-	-	34,010
Power of Attorney	18,400	-	-	(18,400)	-
Prudential	11,786	28,085	(18,751)	-	21,120
Life Changes Trust	-	169,248	(106,182)	-	63,066
Men's Sheds	3,278	90,000	(61,371)	-	31,907
Restricted Donations					
Lloyds TSB Foundation	91	-	-	(91)	-
Damartex Ltd	250	-	-	(250)	-
Age UK	-	30,000	(30,000)	-	-
Weir Trust	-	20,000	(20,000)	-	-
Restricted Legacy - Various	6,505	103,000	(87,000)	(838)	21,667
	238,328	971,046	960,867	35,150	283,657

Balances carried forward at the year-end are as follows:

The Scottish Executive Core Grant is the Charity's day to day running costs.

The Housing Grant support the Charity's housing policy work.

The Helpline Grant pays the support costs for the Age Scotland Helpline.

Restricted Trust Donations represent monies held for expenditure on projects throughout Scotland by our member groups.

Restricted Legacies and Donations represent monies held for expenditure on projects in a defined geographical area.

Unrestricted reserves are held as designated funds for particular purposes as identified by the Board and in accordance with the Charity's Reserves Policy listed on page 4 of the Trustees Report.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Contd)

21. Analysis of the assets between funds – Group

	Designated and Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	2015 Total Funds £
Investments	5,326	-	5,326	5,326
Fixed assets	126,765	-	126,765	122,274
Net current assets	368,021	283,657	651,678	768,651
Long term liabilities	(35,500)	-	(35,500)	(49,072)
Provisions for liabilities	(222,673)	-	(222,673)	(49,072)
	<u>241,940</u>	<u>283,657</u>	<u>525,597</u>	<u>846,853</u>

22. Lease commitments

The company had total commitments under non-cancellable leases expiring as follows:-

	2016 £	2015 £
Operating lease expiring:		
In less than one year	469,022	463,482
In 2-5 years	934,017	1,296,616
After more than 5 years	<u>46,712</u>	<u>111,712</u>
Total commitments	<u>1,449,750</u>	<u>1,871,810</u>

23. Financial Instruments

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Financial assets held at Fair value	<u>5,326</u>	<u>5,326</u>	<u>5,326</u>	<u>5,326</u>
Financial assets held at amortised cost	<u>1,200,162</u>	<u>756,662</u>	<u>761,478</u>	<u>689,943</u>
Financial liabilities held at amortised cost	<u>1,081,497</u>	<u>624,746</u>	<u>740,250</u>	<u>559,594</u>

Financial assets held at fair value comprise of listed investments.

Financial assets held at amortised cost include cash in hand and at bank, investments, trade debtors, other debtors, and amounts due from intercompany.

Financial liabilities held at amortised cost include trade creditors, hire purchase creditor, other creditors, Age UK loan, and the pension scheme liability.

AGE SCOTLAND FOR THE YEAR ENDED 31 MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Contd)

24. Acquisition note

On the 31 March 2016, Age Scotland purchased in cash the remaining 50 Ordinary shares of Age Scotland Enterprises Limited at their nominal value of £1 per share. This took Age Scotland's shareholding for Age Scotland Enterprises Limited from 50% to 100%. For the consideration given by Age Scotland the following assets and liabilities were purchased:

	£
Tangible fixed assets	52,340
Current assets excl cash	132,217
Cash	381,270
Current liabilities	<u>(561,107)</u>
Net Assets	4,720
Less 50% share already owned	<u>(2,410)</u>
Net assets purchased	2,310
Consideration – Cash	<u>(50)</u>
Goodwill arising on acquisition	<u>2,260</u>

The goodwill will be amortised over 5 years.

25. Pension Scheme

A defined contribution pension scheme is operated by the group on behalf of the employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to £88,860 (2015 - £82,765). Contributions amounting to £11,889 (2015 - £11,790) were payable to the fund at year end and are included in creditors.

The group previously operated a defined benefit pension scheme. Following a crystallisation event on 1 December 2005, the scheme has now been terminated. The Board has taken a prudent view and has provided for a potential liability of £326,000 in these statements while discussions are ongoing regarding the technicalities of the matter.

26. Transition to FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS102 and have not impacted on equity or income or expenditure, the date of transition was 1 April 2014.

