



www.ancho.co.uk

Annual Report and Accounts

for the year ended 31st March 2010



ANCHO Limited

Financial Services Authority 2559 R (S)

Communities Scotland Registration No. 306

Charity Reference SC036082

ANCHO LTD

ANCHO Financial Review

Summary

These financial results cover the Organisation's ninth year of operations.

The Organisation made a surplus in the year of £25,507 (£74,679) deficit in 2009). £695,199 was spent on planned maintenance (an increase of over £95k over budget) bringing the total spend on our Investment Programme to almost £5.7 million and is in line with the long term business plan and commitments made to tenants.

1 property were sold under Right To Buy Legislation and 11 properties were acquired under the Mortgage to Rent Scheme.

Turnover

Turnover of £2.501 million relates mainly to the income from the letting of properties at affordable rents. It is the Organisation's policy to maintain this affordability by limiting overall rent increases to no greater than 1 per cent above the Retail Price Index.

Property Services

During the year 66 properties received new doors, 21 received new windows, 96 properties received new gas central heating systems. 78 properties received new smoke alarms. Work carried out in Kilwinning, Castlepark and Dreghorn.

Owner Services

The Organisation provides a factoring service to around 250 owners in the area. The Organisation also has a responsibility to maintain the open spaces surrounding its properties in Irvine and has made some progress towards resolving the issues

Wider Role Activities

The Community Link Project now employs 2 f/t staff and 4 sessional staff. This year we received grants totalling £109,790 for the project. Youth groups are run 5 evenings per week for young people aged between 8 – 16 years. We continued to provide a job club / debt advice service in the Woodwynd Community hall in Kilwinning twice weekly. Our environmental project in Hunter Drive is thriving with a BBQ and additional picnic benches added and is well used provides play facilities for toddlers. Over 70 young people are registered in our 12+ youth group and 62 children are registered in the 8 – 11 age group. Funding is provided by The Big Lottery, North Ayrshire Council, BBC Children in Need and Scottish Government.

Treasury Management

At 31 March 2010 £4.14 million (78%) of borrowings were subject to fixed rates of interest in excess of 1 year. Variable rates were at an all time low of around 1.6% making savings of around £9,000 per month.

ANCHO LTD

REPORT OF BOARD OF MANAGEMENT

The Board of Management presents their eighth Annual Report together with the Audited Accounts for the period ended 31 March 2010.

The Organisation is registered as a non-profit making organisation under the Industrial and Provident Societies Act 1965 No. 2559 R (S). The Organisation is constituted under its Rule Book. The Organisation is a registered Scottish Charity with the charity number SC036082.

Principal activity

The principal activity of the Organisation is the provision of social housing:

- To meet the housing needs and potentially the wider social and investment needs of current and future residents of North Ayrshire;
- to provide a high quality housing service and product to all Organisation tenants and customers;
- to develop and build new houses for rent or sale to meet defined housing need in North Ayrshire;
- to develop the Organisation's activities to ensure the future viability of the stock.

Business review

A review of the Organisation's performance during the year is contained in the Financial Review on page 1.

Surplus for the year and transfers

The results for the year are shown in the Income and Expenditure Account on page 13. The financial statements incorporate ANCHO Ltd's share of the Strathclyde Pension Fund which results in the inclusion of a liability of £(594,000) in the Balance Sheet and an actuarial loss of £637,000 within the Statement of Total Recognised Gains and Losses.

Fixed assets

Changes in fixed assets in the year are set out in note 6 of the financial statements.

Members of Board of Management

The Members of the Board of the Organisation during the year were as follows:

At 31st March 2010

Resigned During The Year

(Chairperson)	Jackie Browne	No resignations
(Vice-Chair)	Janice Murray	
(Secretary)	Sam Walker	
(Member)	Helen Malcolmson	
(Member)	John Hillis	
(Member)	Lynne Wilson	
(Member)	John Bateman	
(Member)	Ian Ross	
(Member)	James Sommerville (elected 19 August 2009)	
(Member)	Sonya Campbell (elected 19 August 2009)	
(Member)	Lisa McColm (elected 19 August 2009)	
(Member)	Thomas Long (elected 19 August 2009)	
(Member)	Patricia McPhee (appointed 27 August 2009)	
(Member)	John Rodgers (co-opted 24 September 2009)	
(Member)	Stuart Young (co-opted 24 September 2009)	

Executive Officers

The senior staff of the Organisation at 31 March 2010 were as follows:

(Director)	Elaine Gibson
(Finance Manager)	Liz Docherty
(Housing Services Manager)	Jim Munro
(Property Services Manager)	Scott Hutchison

Management Board and Executive Officers

The members of the Management Board and the Executive Officers are listed above.

Each member of the Management Board holds one fully paid share of £1 in the Organisation. The Executive Officers hold no interest in the Organisation's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Management Board.

The members of the Management Board are also Trustees of the Charity. Members of the Management Board are appointed by the members at the Organisation's Annual General Meeting.

Registered Office

Sovereign House
Academy Road
Irvine
KA12 8RL

Solicitors

T C Young
7 West George Street
Glasgow
G2 1BA

External Auditors

Armstrongs
Registered Auditors
Victoria Chambers
142 West Nile Street
Glasgow
G1 2RQ

Bankers

Royal Bank of Scotland
West of Scotland Corporate Office
Floor 3, Kirkstane House
139 St. Vincent Street
Glasgow
G2 5JF

Future developments

The Organisation will continue with its policy of improving the scope and quality of housing within its area of activity working with its existing and new partners.

Charitable Donations and Community Involvement

The Organisation opened the Community Link Project in February 2007 and a second office /drop in centre in December 2007. The Centre acts as an information and advice Centre for a range of services and runs weekly youth groups. During the year ANCHO received £109,790 in grants to fund the project.

Creditor Payment Policy

The Organisation's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines.

Internal Audit

The last Internal Audit on Rent Arrears was carried out in January 2010 by North Glasgow Housing Association. A peer assessment approach by an 'A' graded association was deemed to be the most effective way of providing this service. Next year the following areas will be covered:

Repairs Procedures
Anti-Social Behaviour

Related Party Transactions

The following members of the Board of Management are tenants:

Janice Murray

Sam Walker

John Bateman

Thomas Long

Their tenancies are on the Organisation's normal tenancy terms and they cannot use this position to their advantage.

Employee Involvement and Health & Safety

The Organisation encourages employee involvement in all major initiatives. It shall hold an annual review day for staff and the Board of Management to agree corporate objectives and plans. A health and safety sub-committee meets regularly.

Statement as to Disclosure of Information to Auditors

So far as the Board are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) which the organisation's auditors are unaware, and each Board member has taken all the steps that he or she ought to have taken as a Board member in order to make himself or herself aware of any relevant audit information and to establish that the organisation's auditors are aware of that information.

Auditors

A resolution to re-appoint Armstrongs will be proposed at the Annual General Meeting.

On behalf of the Board of Management

Sam Walker

Secretary



Date: 27th May 2010

ANCHO LTD

STATEMENT OF BOARD OF MANAGEMENT RESPONSIBILITIES

The Industrial and Provident Societies Act 1965 to 2002 require the Board of Management to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Organisation and of the surplus or deficit of the Organisation for that period. In preparing those Financial Statements, the Board of Management is required to:-

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Organisation will continue in business;
- prepare a statement on Internal Financial Control.

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Organisation and to enable them to ensure that the Financial Statements comply with the Industrial and Provident Societies Act 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Social Landlords (Accounting Requirements) (Scotland) Order 2007. They are also responsible for safeguarding the assets of the Organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Organisation's suppliers are paid promptly.

The Board of Management must in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

In so far as the Board of Management are aware:

- There is no relevant audit information (information needed by the Housing Organisation's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- The Board of Management have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Organisation's auditors are aware of that information.

ANCHO LTD

BOARD STATEMENT OF INTERNAL FINANCIAL CONTROLS

The Board of Management acknowledge their ultimate responsibility for ensuring that the Organisation has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the Organisation or for publication;
- that transactions are properly authorised and recorded;
- the maintenance of proper accounting records; and
- the safeguarding of assets (against unauthorised use or disposition).

It is the Board of Management's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. The key elements of the systems of financial control are as follows:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Organisation's assets.
- experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures are established to maintain standards of performance.
- forecasts and budgets are prepared regularly which allow the Board of Management and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; monthly management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through the Board of Management.
- the Board of Management reviews reports from management, from the director, staff, internal auditors and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Organisation.
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Board of Management has reviewed the effectiveness of the system of internal financial control in existence in the Organisation for the period ended 31 March 2010. This was reviewed between the year end and the date below. No weaknesses were found within the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditors' report on the financial statements.

By order of the Board of Management

Sam Walker

Secretary



Date: 27th May 2010

**REPORT BY THE AUDITORS TO THE MANAGEMENT BOARD OF
ANCHO LTD
ON COMMITTEE STATEMENT ON THE ASSOCIATION'S SYSTEM OF INTERNAL
FINANCIAL CONTROL
FOR THE YEAR ENDED 31ST MARCH 2010**

Corporate Governance

In addition to our audit of the Financial Statements, we have reviewed your statement on Pages 7 and 8 concerning the Association's compliance with the information required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing".

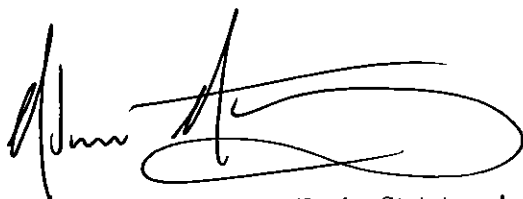
Basis of Opinion

We carried out our review having regard to the Bulletin "Disclosures Relating to Corporate Governance" issued by the Auditing Practices Board. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the Guidance Notes, nor to investigate the appropriateness of the reasons given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on pages 6 and 7 has provided the disclosures required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing" and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the Management Committee and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the section on Internal Financial Control within SFHA's "Raising Standards in Housing".



ADAM I ARMSTRONG (Senior Statutory Auditor)

For and on behalf of Armstrongs

Chartered Accountants

Registered Auditors

Victoria Chambers

142 West Nile Street

Glasgow

G1 2RQ

27th May 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANCHO LTD

We have audited the Financial Statements of ANCHO Limited for the year ended 31 March 2010 on pages 13 to 28. The financial reporting framework that has been applied in their preparation is applicable law and the Registered Social Landlords (Accounting Requirements)(Scotland) Order 2007.

This report is made solely to the Organisation's members, as a body, in accordance with Industrial and Provident Societies Acts 1965 to 2002. Our audit work has been undertaken so that we might state to the Organisation's 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 nor assume responsibility to anyone other than the Organisation and the Organisation's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Board of Management and Auditors

As described in the Statement of Management Board's Responsibilities the Organisation's Management Board are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 Organisation's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Management Board, and the overall presentation of the Financial Statements.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the Organisation's affairs as at 31st March 2010 and if its surplus for the year then ended.

And

- Have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, Schedule 1, the Housing (Scotland) Act 2001 and the Registered Social Landlords (Accounting Requirements) (Scotland) Order 2007.

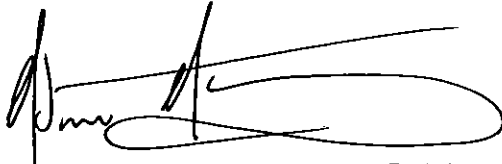
Opinion on Management Board Report

In our opinion the information given in the Report of the Management Board 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 current legislation requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The Financial Statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Management's remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.



ADAM I ARMSTRONG (Senior Statutory Auditor)

For and on behalf of Armstrongs
Chartered Accountants
Registered Auditors
Victoria Chambers
142 West Nile Street
Glasgow
G1 2RQ

27th May 2010

ANCHO LTD

INCOME & EXPENDITURE ACCOUNT for the period to 31 MARCH 2010

		2010	2009
	Note	£	£
Turnover	2	2,500,715	2,322,881
Operating Costs		(2,245,366)	(2,093,032)
Operating Surplus/(Deficit)	2	255,349	229,849
Gain on Sale of Fixed Assets	4	56,621	98,748
Interest Receivable & Other Income		2,795	28,739
Other Finance Costs (Pension)	12	(3,000)	12,000
Interest Payable & Other Charges		(286,258)	(444,015)
Deficit on Ordinary Activities Before Tax		25,507	(74,679)
Tax on Deficit on Ordinary Activities		-	-
Surplus/(Deficit) for the year		<u>25,507</u>	<u>(74,679)</u>

Statement of total recognised gains and losses	2010	2009
	£	£
Surplus/(Loss) for the year	25,507	(74,679)
Unrealised movement on revaluation of properties	-	6,277,310
Actuarial gain/(loss) on pension scheme	12 (637,000)	(129,000)
Total recognised gains	<u>(611,493)</u>	<u>6,073,631</u>
Note of historical cost profit and losses		
Surplus(Loss) for the year	(611,493)	6,073,631
Difference between the historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	150,715	82,723
Realised Gain on Disposal	7,209	1,780
Historical cost surplus for the year	<u>(453,569)</u>	<u>6,158,134</u>

ANCHO LTD

BALANCE SHEET as at 31 MARCH 2010

		2010	2009
	Note	£	£
Tangible Fixed Assets			
Housing Properties		16,256,608	16,252,973
Community Link Office		13,230	13,517
IT System and Equipment		13,828	23,504
Other Fixed Assets		1,159	1,746
	6	<u>16,284,825</u>	<u>16,291,740</u>
 Debtors	7	158,230	161,007
Cash at Bank and in Hand		<u>500,943</u>	<u>763,661</u>
		659,173	924,668
 Creditors: amounts falling due within one year	8	<u>(680,986)</u>	<u>(677,056)</u>
Net Current Assets/(Liabilities)		(21,813)	247,612
 Total Assets less Current Liabilities		<u>16,263,012</u>	<u>16,539,352</u>
 Creditors: amounts falling due after more than one year	9	(7,164,570)	(7,445,423)
Pension (Liability)/Asset	12	<u>(594,000)</u>	<u>22,000</u>
Net Assets		<u>8,504,442</u>	<u>9,115,929</u>
 Capital and Reserves			
Share capital	15	119	113
Revenue reserve	17	(1,181,877)	(728,308)
Revaluation reserve	17	<u>9,686,200</u>	<u>9,844,124</u>
		<u>8,504,442</u>	<u>9,115,929</u>

The Financial Statements were approved by the Board of Management on 27th May 2010 and signed on their behalf by:

Chairperson
J. Browne

Secretary
J. Walker

Board Member
A. Paterson

ANCHO LTD

CASHFLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2010

		2010		2009
	Notes	£	£	£
Net cash inflow from operating Activities	16a	493,984		826,612
Returns on investments and servicing of finance				
Interest received		2,795		28,739
Interest paid		(286,258)		(444,015)
Net cash outflow from returns on investments and servicing of finance		(283,463)		(415,276)
Capital expenditure and financial investment				
Payments to acquire housing properties		(834,543)		(725,857)
Payments to acquire other fixed assets		(1,041)		(30,549)
Social housing grant receivable		546,752		528,742
Net Proceeds on disposal of properties		71,409		195,928
Proceeds on disposal of other fixed assets				
Net cash inflow from capital expenditure		(217,423)		(31,736)
Net cash inflow before use of liquid resources and financing		(6,902)		379,600
Financing activities				
Issue (Repayment) of long term loan		(255,834)		(275,837)
Share capital issued		18		21
Net cash inflow/(outflow) from financing		(255,816)		(275,816)
Net Increase/(Decrease) in Cash in the Period	16b	<u>262,718</u>		<u>103,784</u>

ANCHO LTD

NOTES TO THE FINANCIAL STATEMENTS as at 31 MARCH 2010

1. Principal Accounting Policies

a) Basis of Preparation

The accounts are also prepared under the historical cost convention (as modified by the revaluation of housing properties) and on the going concern basis.

The financial statements have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice – Accounting for Registered Social Landlords 2008 and comply with the Registered Social Landlords (Accounting Requirements) (Scotland) Order 2007.

b) Turnover

Turnover comprises rental and service charge income, factoring fees and any revenue grants receivable.

c) Housing Properties

Housing properties are stated at cost and revalued amount less accumulated depreciation. Depreciation is charged on a straight line basis over the expected useful economic lives of the properties at a rate of 2%.

d) Other Fixed Assets

A full years depreciation is charged in the year of acquisition but no charge is made in the year of disposal. Depreciation is charged at rates estimated to write off costs less the estimated residual value over the expected useful life.

Furniture and Fittings	20% reducing balance
Office Equipment and IT	25% reducing balance
Community Link Project	2% straight line

Social Housing Grant and other grants in Advance/Arrears.

Where developments have been financed wholly or partly by Social Housing Grant or other capital grant, the cost of these developments has been reduced by the amount of the grant receivable. The amount of the grants receivable is shown separately in note 6.

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account in the same period as the expenditure to which it relates. Although Social Housing Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

e) Pension

The Organisation participates in the centralised Strathclyde Pensions Trust defined benefits pension scheme and retirement benefits to employees of the Organisation are funded by the contributions from all participating employers and employees in the scheme. Payments are made to the Trust in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating employers taken as a whole.

The expected cost to the Organisation of pensions is charged to income so as to spread the cost of pensions over the service lives of the employees in the scheme taken as a whole.

The Organisation has fully adopted accounting standard FRS17 'Retirement Benefits' during the year. The impact of this standard has been reflected throughout the financial statements. Prior year comparatives have been restated where appropriate.

The difference between the fair value of the assets held in the Organisation's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Organisation's balance sheet as a pension scheme liability.

f) Apportionment of Management Expenses

Direct employee administration and operating costs have been apportioned to the income and expenditure account on the basis of costs of the staff to the extent that they are directly engaged in each of the operations dealt with in those accounts.

g) Allocation of Owner Occupier Income

Monies charged to owner occupiers for common feu maintenance and insurance is credited into the income and expenditure account within the accounting period in which it relates.

h) Revaluation

A full valuation of the Organisation's housing properties was carried out based on Existing Use Value for Social Housing by Drivers Jonas in October 2008. They have valued the properties at £16,050,000. Drivers Jonas are independent from the reporting entity. The valuation report has been made in accordance with the RICS Appraisal and Valuation Manual. The Board of Management do not believe that the values would have been materially different at the balance sheet date. Had the properties not been restated at valuation the carrying value based on historical cost less social housing grant and depreciation would have been £6,570,408 at 31st March 2010 (2009 - £6,408,842).

i) Operating Leases

Costs in respect of operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term.

2. Particulars of Turnover, Operating Costs and Operating Surpluses

	2010		
	Turnover £	Operating Costs £	Operating Surplus £
Social Lettings	2,223,815	1,968,388	255,427
Other Activities	276,900	276,978	(78)
Total	<u>2,500,715</u>	<u>2,245,366</u>	<u>255,349</u>

	2009		
	Turnover £	Operating Costs £	Operating Surplus £
Social Lettings	2,159,981	1,907,753	252,228
Other Activities	162,900	185,279	(22,379)
Total	<u>2,322,881</u>	<u>2,093,032</u>	<u>229,849</u>

3a. Particulars of Turnover, Operating Costs and Operating Surplus from social letting

	General Needs Housing £	Supported Housing Accom £	Shared Housing Accom £	Total 2010 £	Total for 2009 £
Rent receivable net of service charges	2,248,012	-	-	2,248,012	2,184,125
Service Charges	-	-	-	-	-
Gross income from rents and service charges	<u>2,248,012</u>	-	-	<u>2,248,012</u>	<u>2,184,125</u>
Less voids	(24,197)	-	-	(24,197)	(24,144)
Net income from rents and service charges	<u>2,223,815</u>	-	-	<u>2,223,815</u>	<u>2,159,981</u>
Grants from the Scottish Ministers	-	-	-	-	-
Other revenue grants	-	-	-	-	-
Total turnover from social letting activities	<u>2,223,815</u>	-	-	<u>2,223,815</u>	<u>2,159,981</u>
Management & Maint Admin costs	493,125	-	-	493,125	437,677
Planned, cyc & Major Repair costs	588,138	-	-	588,138	731,671
Reactive maintenance costs	595,380	-	-	595,380	536,990
Bad Debts, rents & service charges	22,091	-	-	22,091	17,460
Depreciation of Social Housing	269,654	-	-	269,654	183,955
Operating costs for Social Letting	<u>1,968,388</u>	-	-	<u>1,968,388</u>	<u>1,907,753</u>
Operating surplus for social lettings	<u>255,427</u>	-	-	<u>255,427</u>	-
For 2010	<u>255,427</u>	-	-	<u>255,427</u>	-
Operating surplus for social lettings 2009	<u>252,228</u>	-	-	-	<u>252,228</u>

3b. Particulars of Turnover, Operating Costs & Surpluses/Deficits from Other Activities

	Grants from Scottish Ministers	Other Revenue Grants	Supporting People Income	Other Income	Total Turnover	Operating costs – bad debts	Other Operating costs	Operating Surplus/ (Deficit 2010)	Operating Surplus / (Deficit 2009)
Wider Action	£39,137	£77,008		£2,164	£118,309	£119,111	-	£(802)	£2,536
Care & Repair									
Factoring				£15,019	£ 15,019	£50,806	-	£(35,787)	£(25,595)
Development Activities									
Support Activities									
Care Activities									
Other									
Management Services									
Other Activities	£88,957	£3,895		£50,720	£ 143,572	£107,061		£ 36,511	£680
Total from Other Activities	£128,094	£80,903		£67,903	£276,900	£276,978	-	£(78)	
Total from Other Activities 2009	£56,229	£85,266		£21,405	£162,900	£185,279	-		£(22,379)

Other Grants from Scottish Ministers include £73,980 MTR, £14,977 Med Adaps,
Other Income of £50,720 includes £14,209 from MTR owners for repairs & £30,011 for the provision of services.

4. Sale of Housing Properties

	2010	2009
	£	£
Sale proceeds	72,000	201,523
Less: cost of sales	<u>(15,379)</u>	<u>(102,775)</u>
Gain on Disposal	<u>56,621</u>	<u>98,748</u>

1 Sale of property has occurred under Right to Buy legislation. Cash flow figure for sales proceeds is net of legal costs.

5. Taxation

The Organisation was awarded Charitable status with effect from 26 October 2004. Therefore there is no Corporation Tax liability.

6. Tangible Fixed Assets

	Housing Properties Held For Letting £	Community Link Project	Office Equipment & IT £	Furniture and Fittings £	Total £
<u>Cost/Valuation</u>					
At 1 st April 2009	16,775,857	73,019	260,316	44,840	17,154,032
Additions during the year	834,543	-	1,041	-	835,584
Disposals during the year	(15,090)	-	-	-	(15,090)
At 31 st March 2010	17,595,310	73,019	261,357	44,840	17,974,526
<u>Housing Association Grant</u>					
At 1 st April 2009	518,742	-	-	-	518,742
Additions during the year	546,753				546,753
At 31 st March 2010	1,065,495				1,065,495
<u>Other Grants</u>					
As at 1 st April 2009		58,666			58,666
Additions during the year					
As at 31 st March 2010		58,666			58,666
<u>Depreciation</u>					
At 1 st April 2009	4,142	836	236,812	43,094	284,884
Provided during the year	269,367	287	10,717	587	280,958
Disposals during the year	(302)	-	-	-	(302)
At 31 st March 2010	273,207	1,123	247,529	43,681	565,540
<u>Net Book Value</u>					
As at 31 st March 2010	16,256,608	13,230	13,828	1,159	16,284,825
As at 31 st March 2009	16,252,973	13,517	23,504	1,746	16,291,740

7. Debtors

	2010 £	2009 £
Amounts falling due within one year:		
Rents in arrears	144,856	149,171
Less: bad debt provision	(33,905)	(43,905)
Sundry debtors and owner arrears	6,896	15,161
Prepayments and accrued income	40,383	40,580
	<u>158,230</u>	<u>161,007</u>

8. Creditors due within one year

	2010 £	2009 £
Loans	231,150	206,132
Trade creditors	70,025	158,013
Rents in advance and owner occupier floats	55,047	33,830
Taxation and Social Security	-	-
Accruals and deferred income	324,764	279,081
	<u>680,986</u>	<u>677,056</u>

9. Creditors due outwith one year

	2010 £	2009 £
Facility Loan	<u>7,164,570</u>	<u>7,445,423</u>

The Dunfermline Building Society holds a standard security and floating charge on the Organisation's 905 properties and garages. The loan is repayable at rates between 1.6% and 6.94% of interest in instalments due as follows:

	2010 £	2009 £
Less than one year	231,150	206,132
Between one and two years	238,880	216,437
Between two and five years	769,130	716,572
In five years or more	6,156,560	6,512,414
Less: amounts shown due within one year	(231,150)	(206,132)
	<u>7,164,570</u>	<u>7,445,423</u>

10. Employees

	2010	2009
	£	£
Staff costs (including Directors emoluments) during the year: (exc agency staff)		
Wages and salaries	496,988	443,879
Social security costs	39,989	38,005
Other pension costs (Note 12)	38,862	49,415
	<u>575,839</u>	<u>531,299</u>

The average weekly number of persons employed by the Organisation during the year were as follows:

	2010	2009
Housing Staff	4	4
Maintenance Staff	2	2
Administrative and Finance Staff	6	6
Wider Action Staff	3	3
Caretaking staff	2	
Total	<u>17</u>	<u>15</u>

11. Directors Emoluments

The remuneration paid to the Directors (defined as the Board of Management, the Director and other senior staff members whose total emoluments individually exceed £60,000 per year) of the Organisation were:

	2010	2009
	£	£
Total Emoluments (including pension contribution and benefits in kind)	69,349	67,511
The emoluments (excluding pension contributions) of the highest paid Director amounted to	59,783	58,929
The emoluments (excluding pension contributions) of the Chairman amounted to	Nil	Nil

Directors are ordinary members of the Organisation's pension scheme described in Note 12. No enhanced or special terms apply to membership and they have no other pension arrangements to which the Organisation contributes. The Organisation's contributions for Directors in the year amounted to £9,566 (2009 - £9,289 – threshold for disclosure now £60k).

	2010	2009
Total Emoluments £55,001 - £60,000	1	1

	2010	2009
Total expenses reimbursed to Directors in so far as not chargeable to United Kingdom Income Tax	£1,851	£2,019
The Organisation is managed by a voluntary Board of Management whose members act as Directors of the Organisation.		

No member of the Board of Management received any emoluments in respect of their services to the Organisation for the year ended 31 March 2010.

12. Retirement Benefit Obligations

The Association contributes to Strathclyde Pension Fund administered by Glasgow Council, a defined benefit scheme, which is externally funded and contracted out of the State Earnings-Related Pension Scheme. The assets of the scheme are held in a separate trustee-administered fund. The pension costs are assessed with the advice of independent qualified actuaries, using the projected unit method.

The assumptions and other data that have the most significant effect on the determination of the contribution levels of the scheme are as follows:-

	2010	2009
Latest actuarial date	31 March 2010	31 March 2009
Inflation / Pension Increase Rate	3.8%	3.1%
Salary scale increases per annum	5.3%	4.6%
Discount rate	5.5%	6.9%
Expected Return on Assets	7.2%	6.5%
The Associations share of assets in the scheme and expected rate of return were:-		

	2010	2009
Equities	7.8%	7.0%
Bonds	5.0%	5.4%
Property	5.8%	4.9%
Cash	4.8%	4.0%

	2010	2009
	£	£
Estimated employer asset share	<u>1,660,000</u>	<u>1,137,000</u>
Present value of scheme liabilities	(2,254,000)	1,115,000
Present value of unfunded liabilities	-	-
Total value of liabilities	<u>(594,000)</u>	<u>1,115,000</u>
Net Pension (Liability)/Asset	<u>(594,000)</u>	<u>22,000</u>

12. Pension Costs (Cont)

Analysis of amount charged to operating profit	2010
	£
Service costs	30,000
Past service costs	9,000
Curtailment and settlements	-
Decrease in irrecoverable surplus	-
	<hr/>
Total operating charge	<u>39,000</u>
Analysis of amount credited to other finance income	2010
	£
Expected return on employers assets	76,000
Interest on pension scheme liabilities	(79,000)
	<hr/>
Net return	<u>(3,000)</u>
Net revenue account cost	<u>42,000</u>
Analysis of recognised in Statement of Total Recognised Gains and Losses (STRGL)	2010
	£
Actual return less expected return on pension scheme assets	366,000
Experience gains and losses arising on the scheme liabilities	
Changes in financial assumptions underlying the present value of the scheme liabilities	(1,003,000)
	<hr/>
Actual gain/(loss) in pension plan	(637,000)
Increase in irrecoverable surplus from the membership fall and other factors	-
	<hr/>
Actuarial gain/(loss) recognised in STRGL	<u>(637,000)</u>
Movement in surplus during the year	2010
	£
Deficit at beginning of year	22,000
Current service cost	(30,000)
Employers contributions	63,000
Past service costs	(9,000)
Estimated Benefits paid	-
Net returns on assets	(3,000)
Actuarial gain/(loss)	(637,000)
	<hr/>
(Deficit)/Surplus at end of year	<u>(594,000)</u>

12. Pension Costs (Cont)

History of Experience Gains and Losses	2010
Fair value of Employer Assets	1,660,000
Present Value of Defined Benefit Obligation	(2,254,000)
Surplus / (Deficit)	(594,000)
Experience Gains /(losses) on Assets	(366,000)
Experience Gains / (Losses on Liabilities	(1,003,000)

13. Deficit on Ordinary Activities Before Taxation

	2010	2009
	£	£
Deficit on Ordinary Activities before Taxation is stated after charging:		
Depreciation - Tangible Fixed Assets	280,958	203,601
Gain on Disposal of Fixed Assets	(56,621)	(98,748)
Operating Lease Rental - Office	27,000	27,000

14. Auditors' Remuneration

	2010	2009
	£	£
The remuneration of the auditors (including expenses and excluding VAT for the year)	<u>6,066</u>	<u>6,000</u>
Remuneration of the auditors in respect of services other than those of auditors	<u>0</u>	<u>0</u>

15. Share Capital

	2010	2009
	£	£
Shares of £1 fully paid and issued at beginning of year	113	102
Shares issued during year	18	21
Shares cancelled during the year	<u>(12)</u>	<u>(10)</u>
Shares issued at end of year	<u>119</u>	<u>113</u>

Each member of the Organisation holds one £1 share in the Organisation. These shares carry no right to dividend or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Organisation. Each member has a right to vote at members' meetings.

16. Notes to the Cash Flow Statement

	2010 £	2009 £
a) Reconciliation of operating surplus to net cash inflow from operating activities		
Operating Surplus/(Deficit)	255,349	229,849
Depreciation	280,958	203,601
FRS 17 Pension Cost Adjustment	(24,000)	(11,000)
(Increase)Decrease in debtors	2,777	91,842
(Decrease)/Increase in creditors	(21,088)	312,330
Shares cancelled during the year	(12)	(10)
Net cash inflow/(outflow) from operating activities	<u>493,984</u>	<u>826,612</u>

b) Analysis of changes in cash and cash equivalents during the year		
Balance at start of year	763,661	659,877
Net cash movement during the year	(262,718)	103,784
Balance at end of year	<u>500,943</u>	<u>763,661</u>

	2010 £	2009 £
c) Analysis of the balance of cash and cash equivalents as shown in the Balance Sheet		
Cash at bank and on hand	500,943	763,661
Bank overdraft	-	-
	<u>500,943</u>	<u>763,661</u>

	At 01/04/09 £	Cash flow £	At 31/03/10 £
d) Analysis of changes in net debt			
Cash at hand and in bank	763,661	(262,718)	500,943
Bank overdraft			
Debt due within one year	(206,132)	(25,018)	(231,150)
Debt due after one year	(7,445,423)	280,852	(7,164,571)
	<u>(6,887,894)</u>	<u>(6,884)</u>	<u>(6,894,778)</u>

17. RESERVES

(a) Revenue Reserves

	Total 2010	Total 2009
As at 1 st April 2009	(728,308)	(609,132)
Transfer from Revaluation Reserve – Depreciation	150,715	82,723
Transfer from Revaluation Reserve – Gain on Sale	7,209	1,780
Actuarial gain / (loss) recognised	(637,000)	(129,000)
(Deficit) for the year	<u>25,507</u>	<u>(74,679)</u>
As at 31 st March 2010	<u>(1,181,877)</u>	<u>(728,308)</u>

(b) Revaluation Reserves

As at 1 st April 2009	9,844,124	3,651,317
Transfer to Revenue Reserves – Revaluation	(150,715)	(82,723)
Transfer to Revenue Reserves – Gain on Sale	(7,209)	(1,780)
Revaluation in Year		<u>6,277,310</u>
As at 31 st March 2010	<u>9,686,200</u>	<u>9,844,124</u>

18. Commitments Under Operating Leases

At the period end the annual commitments under operating leases were as follows:

	2010	2009
Photocopier - expiring in 2-5 years	<u>£ 2,811</u>	<u>£ 2,811</u>
Office premises - expiring within 1- 2 years	<u>£ 27,000</u>	<u>£27,000</u>

19. Capital Commitments

	2010 £	2009 £
Expenditure authorised by the Board of Management less certified.	<u>48,002</u>	<u>2,250</u>
Expenditure is funded from existing resources		

21. Unit Numbers

	2009	2010
Housing properties	702	692
Garage units	<u>205</u>	<u>205</u>
	<u>907</u>	<u>897</u>

ANCHOLTD
STATEMENT OF OPERATING COSTS
For the period ended 31 March 2010

	2009 Total £	2010 Total £	Housing Management £	Repairs and Day to day £	Planned Maintenance £	Medial Adap/MTR £	Owners £	Wider Action £	Finance and Corporate £
Employee Costs									
Management and Administrative Staff	531,299	575,839	172,216	95,602	-	-	20,242	83,341	204,438
Estate Costs									
Insurance Costs	28,344	28,825	29,093	-	-	-	-268	-	-
Repairs and Maintenance	1,100,494	1,071,968	-	352,888	588,138	107,061	-	23,881	-
Office Overheads									
Printing, Stationery, Advertising	16,676	15,962	-	-	-	-	-	2,835	13,127
Affiliation Fees	21,807	22,488	-	-	-	-	-	-	22,488
Audit and Accountancy	6,088	6,066	-	-	-	-	-	-	6,066
Bank Charges and Interest	7,831	9,144	8,158	-	-	-	-	-	986
Office Rental, Rates and Insurance	35,434	36,137	-	-	-	-	-	-	36,137
Sovereign House Factoring Costs	14,350	52,638	-	-	-	-	-	-	52,638
Telephone and Postage	16,491	20,832	-	-	-	-	-	2,615	18,217
Heat, Light, Cleaning	9,162	10,313	-	-	-	-	-	3,390	6,923
Training and Conferences (inc Board)	13,565	18,237	2,402	1,270	-	-	-	-	14,565
Office Repairs & Maintenance	5,865	8,413	-	-	-	-	-	-	8,413
Ayr Road Set Up Costs	11,483	15,659	-	-	-	-	-	-	15,659
Health & Safety & Misc	48,307	15,302	-	-	-	-	-	3,049	12,253
Consultancy and Legal Fees		26,466	10,911	-	-	-	-	-	15,555
Tenant Participation & Service Plus	4,775	8,028	8,028	-	-	-	-	-	-
Bad debt write off	17,460	22,091	22,091	-	-	-	-	-	-
Depreciation	203,601	280,958	269,654	-	-	-	-	-	-
	2,093,032	2,245,366	522,553	449,760	588,138	107,061	19,974	119,111	438,769
Allocation of Finance and Corporate			262,317	145,620	-	-	30,832	-	(438,769)
Total	2,093,032	2,245,366	784,870	595,380	588,138	107,061	50,806	119,111	-