



**ABERTAY HOUSING ASSOCIATION LIMITED**

**Report and Financial Statements**

**For the year ended 31 March 2011**

**Registration information**

Registered Housing Association Number HAL 297

Registered Friendly Society Number 2517R (S)

Charity Number SC030152

**ABERTAY HOUSING ASSOCIATION LIMITED**

**Report and Financial Statements**

**For the year ended 31 March 2011**

| <b>Contents</b>   | <b>Page</b> |
|---|-------------|
| Management Committee, Chief Executive and Advisers        | 1           |
| Report of the Management Committee                        | 2-5         |
| Independent Auditors' Report                              | 6-7         |
| Report of the Auditors on Corporate Governance Matters    | 8           |
| Income and Expenditure Account                            | 9           |
| Statement of Recognised Surpluses and Deficits            | 9           |
| Balance Sheet   | 10          |
| Cash Flow Statement                                       | 11          |
| Accounting Policies and Notes to the Financial Statements | 12-25       |

**Members, Executives and Advisers**

**Committee of Management**

|                       |                          |
|-----------------------|--------------------------|
| Russell Rowbotham OBE | (Chairperson)            |
| Kenneth Dunn          | (Vice Chairperson)       |
| Kathleen Mands        |                          |
| Duncan Wood           |                          |
| Dorothy Taylor        |                          |
| Meryle Taylor         |                          |
| Bryan Morris          |                          |
| Helen Reeves          |                          |
| Ian Mathers           |                          |
| Alan Stevenson        | (appointed 30 June 2010) |
| Alex Miller           | (appointed 30 June 2010) |

**Executive Officers**

|                 |   |
|-----------------|---|
| Ian Thomson     | Chief Executive and Company Secretary                   |
| Lesley Ferguson | Finance Director (resigned 1 July 2011)                 |
| Ron Skea        | Operations Director (appointed 13 June 2011)            |
| Donald Barnett  | Housing Services Director (retired 30 April 2011)       |
| Ronald McArthur | Technical Services Director (resigned 14 December 2010) |

**Registered office**                   147 Fintry Drive  
Dundee  
DD4 9HE

**Auditors**                               Scott-Moncrieff  
Statutory Auditor  
Chartered Accountants  
25 Bothwell Street  
Glasgow  
G2 6NL

**Solicitors**                               Thorntons WS  
33 Yeaman Shore  
Dundee  
DD1 4BJ

**Bankers**                                 Royal Bank of Scotland plc  
3 High Street  
Dundee  
DD1 9LY

**Report of the Management Committee  
For the year ended 31 March 2011**

The Committee of Management present their report and the audited financial statements for the year ended 31 March 2011.

**Principal activities**

Abertay Housing Association Limited is a not for profit organisation, administered by a voluntary Management Committee. The principal activity of the Association is the provision of affordable rented accommodation in an efficient, caring and friendly environment for people in housing need.

**Review of business and future developments**

The Association continued to provide affordable rented accommodation and to maintain and improve its properties to a high standard.

The Committee of Management, in consultation with tenants, applied a rent increase of RPI plus 1% resulting in a rent increase of 1.3% taking effect from 1 April 2010 (2009: 4.0%).

The Association owned 1,785 properties at the end of the year. Of these 283 are used to provide sheltered housing. During the year 6 properties were sold under the Right To Buy entitlement.

The programme to rehouse the tenants from our "Orlit" style properties, so that the properties can be demolished, is progressing well. By the end of the year there was only 1 remaining tenancy. 4 Owner occupied properties were bought back during the year, with the aim of achieving a cleared site, and a further 23 properties were demolished. The Association has successfully built around 170 high quality new homes in Dundee for affordable rent in the past few years, and would like to build further homes on the "Orlit" site. However, the provision of homes at subsidised affordable rents is only possible if public subsidy is available towards the building costs. Regrettably, the cuts in the levels and availability of subsidies in the form of Housing Association Grants mean that the Association is unlikely to be able to afford to build any new homes on this or other sites in the foreseeable future.

The Association completed the development of 48 homes in the Charleston area of Dundee during the year. These homes, which are of a high quality, were completed on time and on budget.

We undertook our largest programme of improvements and planned maintenance to date during the year with a total spend of £2,449,146. This included expenditure of approximately £821,000 installing 280 new kitchens, £488,000 on 243 new bathrooms, and £340,000 installing 118 new central heating systems in our tenants' homes. Much of this work was carried out to meet or exceed the requirements of the Scottish Housing Quality Standard. The Association expects to spend in the region of £1,609,000 over the next four years to bring all its properties up to or above the Scottish Housing Quality Standard.

Details of movements of the Association's fixed assets during the year are set out in Notes 7 and 8.

There were no changes to the Association's loan portfolio during the year. The regular payments on the existing loans reduced the total bank borrowings from £12,563,768 to £12,380,175 at the year end.

**Report of the Management Committee  
For the year ended 31 March 2011****Management Committee and Executive Officers**

The Committee of Management and executive officers of the Association are listed on page 1. Each elected member of the committee of management holds one fully paid share of £1 in the Association. The executive officers of the Association hold no interest in its share capital, and although not having the legal status of directors, they act as executives within the authority delegated by the Committee.

**Related Party Transactions**

The tenants who sit on the Board of Management have entered into tenancies on the Association's normal terms and conditions and they cannot use their position to their advantage.

**Statement of Committee's Responsibilities**

Housing association legislation requires the committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the income and expenditure of the Association for the year ended on that date. In preparing those financial statements the committee are required to:-

- Select suitable accounting policies and then 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 a going concern basis unless it is inappropriate to presume that the association will continue in business.

The Committee is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Association, and for maintaining a satisfactory system of control over the Association's accounting records and transactions. The Committee is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the Management Committee  
For the year ended 31 March 2011**

**Statement on Internal Financial Control**

The Management Committee acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:-

1. The reliability of financial information used within the Association or provided for external users;
2. The maintenance of proper accounting records; and
3. The safeguarding of assets against unauthorised use or disposition.

Such systems of internal financial control can only provide reasonable and not absolute assurance against material misstatement or loss.

Key procedures, which the Committee has established and which are designed to provide effective financial control, include the following:-

1. Formal policies and procedures are in place for the appointment of suitably qualified and experienced senior staff members and consultants. These policies and procedures also detail duties and levels of authority for Committee Members, staff and agents.
2. An Internal Audit control system has been introduced with a rolling programme of reviews covering the entire control system.
3. A system of budgetary control is implemented with investigation of variances and reporting to the Committee on a quarterly basis.
4. A strategic plan and medium-term projections have been prepared and approved by the Committee. These will be reviewed annually.
5. The Audit Committee reviews on behalf of the Management Committee, reports from the auditors to provide reasonable assurance that control procedures are in place and are being followed.
6. All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures at full Committee level.

The Management Committee confirms that it has reviewed the effectiveness of the Association's system of internal financial control as it operated during the period ended 31 March 2011. No weaknesses were found in internal financial controls, which resulted in material losses, contingencies or uncertainties that require disclosure in the financial statements, or in the auditor's report on the financial statements.

**Report of the Management Committee  
For the year ended 31 March 2011**

**Auditors**

Following a tendering process, Scott-Moncrieff were appointed auditors during the year ended 31 March 2011. Scott-Moncrieff have expressed their willingness to continue in office. A resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

**By order of the Committee**

A handwritten signature in black ink, appearing to read 'Ian Thomson', written in a cursive style.

**Ian Thomson  
Secretary**

**Dated: 31 August 2011**

**Independent Auditors' Report of the Auditors to the Members of  
Abertay Housing Association Limited**

We have audited the financial statements of Abertay Housing Association Limited for the year ended 31 March 2011 which comprise the income and expenditure account, balance sheet, cash flow statement and related notes. The financial reporting framework that has been applied is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice - Accounting by Registered Social Landlords issued in 2008.

This report is made solely to the Association's members as a body, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the Association'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 or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the Management Committee and auditors**

As explained more fully in the Management Committee Responsibilities statement set out on page 3, the committee members 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices' Board's (APB'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 Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Management Committee; and overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Management Committee to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2011 and of its surplus for the year ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice – Accounting by Registered Social Landlords issued in 2008;
- have been prepared in accordance with the requirements of the Industrial and Provident Societies Acts 1965 to 2002, Schedule 7 the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007.



**Independent Auditors' Report of the Auditors to the Members of  
Abertay Housing Association Limited**

In our opinion the information given in the Report of the Management Committee for the financial year for which the financial statements are prepared is consistent with the financial statements.



Scott-Moncrieff  
Statutory Auditor  
Chartered Accountants  
25 Bothwell Street  
Glasgow  
G2 6NL

Dated: 31 August 2011

**Report of the Auditors to the Management Committee of  
Abertay Housing Association Limited on Corporate Governance Matters**

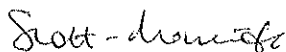
In addition to our audit of the Financial Statements, we have reviewed your Statement in the Report of the Management Committee concerning the Association's compliance with the paragraphs of the Internal Financial Control section within the SFHA's publication "Raising Standards in Housing". The objective of our review is to draw attention to non-compliance with those paragraphs of the Code, if not otherwise disclosed.

**Basis of opinion**

We carried out our review having regard to Bulletin 2009/4 issued by the Auditing Practices Board. The Bulletin does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the Association's system of internal financial control or its corporate governance procedures.

**Opinion**

In our opinion, your statement on internal financial control has provided the disclosures required by the Internal Financial Control section within the SFHA's publication "Raising Standards in Housing" and is not inconsistent with the information which came to our attention as a result of our audit work on the Financial Statements.



Scott-Moncrieff  
Statutory Auditor  
Chartered Accountants  
25 Bothwell Street  
Glasgow  
G2 6NL

Dated: 31 August 2011

**Income and Expenditure Account  
For the year ended 31 March 2011**

|  | Notes | 2011<br>£   | 2010<br>£   |
|--|-------|-------------|-------------|
| <b>Turnover</b>  | 2     | 6,585,196   | 6,484,050   |
| Less: Operating costs  | 2     | (5,604,713) | (4,862,519) |
| <b>Operating surplus</b>                                     | 2     | 980,483     | 1,621,531   |
| Gain on sale of fixed assets                                 | 10    | 126,720     | 331,598     |
| Interest receivable  |       | 32,848      | 61,222      |
| Interest payable   | 6     | (761,270)   | (768,190)   |
| <b>Surplus on ordinary activities before taxation</b>        |       | 378,781     | 1,246,161   |
| Tax on surplus on ordinary activities                        |       | -           | -           |
| <b>Retained surplus for the year transferred to reserves</b> | 18    | 378,781     | 1,246,161   |

The results for the year relate wholly to continuing activities and the reported surplus was determined under the historical cost convention.

**Statement of Recognised Surpluses and Deficits  
For the year ended 31 March 2011**


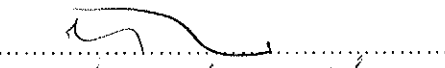
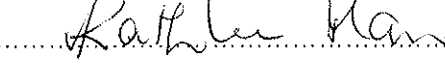
|   | Notes | 2011<br>£ | 2010<br>£   |
|---|-------|-----------|-------------|
| Surplus for the year  |       | 378,781   | 1,246,161   |
| Actual return less expected return on pension scheme assets                       | 28    | 22,138    | 748,987     |
| Effect of changes in the actuarial assumptions                                    | 28    | 499,004   | (2,034,153) |
| <b>Total recognised surplus/(deficit) recognised since the last annual report</b> |       | 899,923   | (39,005)    |

The notes on pages 12 to 25 form part of these financial statements

**Balance Sheet**  
**As at 31 March 2011**

|  | Notes | 2011<br>£         | 2010<br>£         |
|--|-------|-------------------|-------------------|
| <b>Tangible fixed assets</b>                                   |       |                   |                   |
| Housing properties   | 7     | 31,111,312        | 30,098,468        |
| Less: HAG and other grants                                     | 7     | (12,936,907)      | (12,936,907)      |
|  |       | <u>18,174,405</u> | <u>17,161,561</u> |
| Other fixed assets   | 8     | 414,630           | 426,601           |
|  |       | <u>18,589,035</u> | <u>17,588,162</u> |
| <b>Current assets</b>  |       |                   |                   |
| Debtors  | 11    | 522,353           | 1,577,265         |
| Cash at bank   | 25    | 2,961,753         | 3,126,868         |
|  |       | <u>3,484,106</u>  | <u>4,704,133</u>  |
| <b>Current Liabilities</b>                                     |       |                   |                   |
| <b>Creditors:</b> amounts falling due within one year          | 12    | (1,873,927)       | (1,910,142)       |
| <b>Net current assets excluding pension liability</b>          |       | <u>1,610,179</u>  | <u>2,793,991</u>  |
| Pension liability  | 28    | (1,210,524)       | (2,098,312)       |
| Net current assets including pension liability                 |       | <u>399,655</u>    | <u>695,679</u>    |
| <b>Total assets less current liabilities</b>                   |       | <u>18,988,690</u> | <u>18,283,841</u> |
| <b>Creditors:</b> amounts falling due after more than one year | 13    | (12,185,079)      | (12,380,175)      |
|  |       | <u>6,803,611</u>  | <u>5,903,666</u>  |
| <b>Capital and reserves</b>                                    |       |                   |                   |
| Share capital  | 16    | 305               | 283               |
| Designated reserves  | 17    | 4,827,666         | 4,478,062         |
| Revenue reserve  | 18    | 1,975,640         | 1,425,321         |
|  |       | <u>6,803,611</u>  | <u>5,903,666</u>  |

The financial statements on pages 9 to 25 were authorised for issue by the Committee of Management on 31 August 2011 and were signed on its behalf by:

|                  |   |                   |
|------------------|---|-------------------|
| Chair            |  | Russell Rowbotham |
| Vice Chair       |  | Kenneth Dunn      |
| Committee Member |  | Kathleen Mands    |

The notes on pages 12 to 24 form part of these financial statements.

**Cash Flow Statement**  
**For the year ended 31 March 2011**

|   | Notes | 2011        |           | 2010        |             |
|---|-------|-------------|-----------|-------------|-------------|
|   |       | £           | £         | £           | £           |
| <b>Net cash inflow from operating activities</b>                              | 24    |             | 1,717,653 |             | 1,6161,149  |
| <b>Returns on investments and servicing of finance</b>                        |       |             |           |             |             |
| Interest received   |       | 32,848      |           | 61,222      |             |
| Interest paid   |       | (761,270)   |           | (768,190)   |             |
| <b>Net cash outflow from returns on investments and servicing of finance</b>  |       |             | (728,422) |             | (706,968)   |
| <b>Capital Expenditure and financial investment</b>                           |       |             |           |             |             |
| Acquisition & construction of properties                                      |       | (1,102,408) |           | (5,853,746) |             |
| Capital grants received   |       | -           |           | 3,809,137   |             |
| Purchase of other fixed assets  |       | (35,521)    |           | (23,050)    |             |
| Sales of properties, net proceeds   |       | 167,154     |           | (587)       |             |
| <b>Net cash outflow from capital expenditure</b>                              |       |             | (970,775) |             | (2,068,246) |
| <b>Net cash inflow/(outflow) before use of liquid resources and financing</b> |       |             | 18,456    |             | (1,614,065) |
| <b>Financing</b>  |       |             |           |             |             |
| Loan repayment  |       | (183,593)   |           | (166,411)   |             |
| Issue of share capital  |       | 22          |           | 7           |             |
| <b>Net cash outflow from financing</b>  |       |             | (183,571) |             | (166,404)   |
| <b>Decrease in cash</b>   | 25    |             | (165,115) |             | (1,780,469) |

**Notes to the Financial Statements  
For the year ended 31 March 2011**

The Association is registered under the Friendly and Industrial and Provident Societies Acts. The financial statements have been prepared in accordance with The Registered Social Landlords Accounting Requirements (Scotland) Order 2007 and the Statement of Recommended Practice 2008 (SORP), Accounting by Registered Social Landlords.

**1. Accounting Policies**

The principal accounting policies of the Association are set out in paragraphs (a) to (m) below.

**(a) Accounting Convention**

The financial statements are prepared under the historical cost convention.

**(b) Basis of Accounting**

The financial statements are prepared in accordance with applicable accounting standards and statements of recommended practice.

**(c) Going Concern**

The Association has a healthy cash position and thus the Management Committee is satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus the Management Committee continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**(d) Turnover**

Turnover represents rental and service charge income and revenue based grants receivable from the local authority and from the Scottish Government.

**(e) Repairs and Maintenance Costs**

Costs for reactive and planned maintenance are charged to the Income and Expenditure Account as they are incurred. Property improvements are capitalised, if these are material in nature and can give rise to additional income. These capitalised improvements are subsequently written off in line with the Association's fixed asset policy.

**(f) Loans**

Loans are advanced by private lenders under the terms of individual loan agreements.

**(g) Fixed Assets**

Fixed assets are stated at cost less depreciation. Normally no depreciation is charged on housing properties because the Association's policy and practice is to maintain properties through a continuing programme of refurbishment and maintenance and consequently the lives of the properties are over 50 years and their residual values are such that any depreciation charge would be immaterial. However the Association owns 47 substandard properties which will eventually be demolished and these particular properties have been fully depreciated.

Other fixed assets are depreciated at the following rates, which are calculated to write off the cost of the assets over their expected useful lives on a straight line basis.

|                              |           |
|------------------------------|-----------|
| Office premises              | 4%        |
| Housing Stock Improvements   | 5%        |
| Furniture & Fittings         | 10% - 20% |
| Machinery & Equipment        | 6.67%     |
| Computer hardware & software | 25%       |

Impairment reviews are carried out for Housing Properties on an annual basis in accordance with Financial Reporting Standard 11.

**(h) Sale of Housing Properties**

Properties are disposed of under the appropriate legislation and guidance. Gains and losses on sale are accounted for in accordance with Financial Reporting Standard 15.

Notes to the Financial Statements  
For the year ended 31 March 2011

1. **Accounting Policies** (continued)

(i) **Social Housing Grants (SHG)**

Social Housing Grant, at amounts approved by The Scottish Government, is paid directly to the Association as required to meet its liabilities during the development process.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate. SHG is repayable under certain circumstances primarily following sale of property, but will normally be restricted to net proceeds of sale.

(j) **Leases**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

(k) **Supporting People**

Grants received in relation to Supporting People activities are shown in other income and the associated costs are expensed through the Income and Expenditure Account.

(l) **Designated Reserves**

In accordance with its policy of maintaining its properties to a high standard, the Association makes transfers to a reserve for future major repairs and other significant costs including demolition works. Transfers to the Income and Expenditure Account are made to offset actual costs of major repairs which are charged to the Income and Expenditure Account when incurred.

(m) **Pension Scheme**

The Association participates in the Dundee City Council Superannuation Scheme (LGSS) which provides benefits based on final pensionable salary. The assets of the scheme are held and invested separately from those of the Association.

The Association accounts for the pension scheme in accordance with FRS 17. Contributions to the scheme are charged to the Income & Expenditure Account so as to spread the cost of pensions over the employees' working lives with the Association.

The difference between the actual and expected returns on assets during the year, including changes in the actuarial assumptions are recognised in the Statement of Recognised Surpluses and Deficits.

Notes to the Financial Statements  
For the year ended 31 March 2011

2. Particulars of Turnover, Operating Costs and Operating Surplus

|                                      | Notes | 2011             |                         | 2010             |                         |                           |
|--------------------------------------|-------|------------------|-------------------------|------------------|-------------------------|---------------------------|
|                                      |       | Turnover<br>£    | Operating<br>Costs<br>£ | Turnover<br>£    | Operating<br>Costs<br>£ | Operating<br>Surplus<br>£ |
| Income and expenditure from lettings | 3     | 5,977,132        | 5,098,748               | 5,782,449        | 4,319,502               | 1,462,947                 |
| Other income and expenditure         | 4     | 608,064          | 505,965                 | 701,601          | 543,017                 | 158,584                   |
|                                      |       | <u>6,585,196</u> | <u>5,604,713</u>        | <u>6,484,050</u> | <u>4,862,519</u>        | <u>1,621,531</u>          |



Notes to the Financial Statements  
For the year ended 31 March 2011

3. Particulars of Income and Expenditure from Lettings

|  | General<br>Needs<br>Housing<br>£ | Sheltered<br>Housing<br>£ | Shared<br>Ownership<br>Housing<br>£ | Other<br>£ | Total<br>£ | 2010<br>£ |
|--|----------------------------------|---------------------------|-------------------------------------|------------|------------|-----------|
| <b>Income from lettings</b>                              |                                  |                           |                                     |            |            |           |
| Rent receivable net of identifiable service charges      | 4,898,791                        | 826,185                   | -                                   | -          | 5,724,976  | 5,524,807 |
| Identifiable service charges receivable                  | -                                | 270,413                   | -                                   | -          | 270,413    | 270,413   |
| <b>Gross rents receivable</b>                            | 4,898,791                        | 1,096,598                 | -                                   | -          | 5,995,389  | 5,795,220 |
| <b>Less: rent losses from voids</b>                      | (27,198)                         | (3,859)                   | -                                   | -          | (31,057)   | (40,324)  |
| <b>Total net income from lettings</b>                    | 4,871,593                        | 1,092,739                 | -                                   | -          | 5,964,332  | 5,754,896 |
| Grants from the Scottish Ministers                       | -                                | -                         | -                                   | -          | -          | 27,553    |
| Other revenue grants                                     | 12,800                           | -                         | -                                   | -          | 12,800     | -         |
| <b>Total turnover from social letting activities</b>     | 4,884,393                        | 1,092,739                 | -                                   | -          | 5,977,132  | 5,782,449 |
| <b>Expenditure on letting activities</b>                 |                                  |                           |                                     |            |            |           |
| Management and maintenance administration costs          | 1,024,206                        | 97,808                    | -                                   | -          | 1,122,014  | 1,288,641 |
| Service costs  | 122,792                          | 88,655                    | -                                   | -          | 211,447    | 320,629   |
| Planned and cyclical maintenance including major repairs | 2,085,075                        | 364,071                   | -                                   | -          | 2,449,146  | 1,633,515 |
| Reactive maintenance                                     | 1,061,109                        | 170,616                   | -                                   | -          | 1,231,725  | 978,345   |
| Rent losses from bad debts                               | 29,804                           | 5,482                     | -                                   | -          | 35,286     | 49,242    |
| Depreciation of social housing                           | 49,130                           | -                         | -                                   | -          | 49,130     | 49,130    |
| Impairment of social housing                             | -                                | -                         | -                                   | -          | -          | -         |
| <b>Operating costs for social letting activities</b>     | 4,372,116                        | 726,632                   | -                                   | -          | 5,098,748  | 4,319,502 |
| <b>Operating Surplus for social lettings, 2011</b>       | 512,277                          | 366,107                   | -                                   | -          | 878,384    | 1,462,947 |
| <b>Operating Surplus for social lettings, 2010</b>       | 882,013                          | 580,934                   | -                                   | -          | 1,462,947  |           |

Notes to the Financial Statements  
For the year ended 31 March 2011

4. Particulars of other Income and Expenditure

|  | Grants from Scottish Ministers | Other revenue grants | Supporting people income | Other income   | Total turnover 2011 | Total turnover 2010 | Operating costs – bad debts | Other operating costs | Operating surplus or deficit |
|--|--------------------------------|----------------------|--------------------------|----------------|---------------------|---------------------|-----------------------------|-----------------------|------------------------------|
|  | £                              | £                    | £                        | £              | £                   | £                   | £                           | £                     | £                            |
| Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of house | -                              | 9,147                | -                        | -              | 9,147               | 9,605               | -                           | 32,778                | (23,631)                     |
| Care and repair of property  | 142,835                        | -                    | -                        | 28,945         | 171,780             | 216,665             | -                           | 147,584               | 24,196                       |
| Factoring  | -                              | -                    | -                        | 171,651        | 171,651             | 197,546             | (3,093)                     | 149,776               | 24,968                       |
| Development and construction of property activities  | -                              | -                    | -                        | -              | -                   | 25,556              | -                           | -                     | -                            |
| Support activities   | -                              | -                    | 127,331                  | 128,155        | 255,486             | 252,229             | -                           | 178,920               | 76,566                       |
| Care activities  | -                              | -                    | -                        | -              | -                   | -                   | -                           | -                     | -                            |
| Agency/management services for RSLs  | -                              | -                    | -                        | -              | -                   | -                   | -                           | -                     | -                            |
| Other agency / management services   | -                              | -                    | -                        | -              | -                   | -                   | -                           | -                     | -                            |
| Developments for sale to RSLs  | -                              | -                    | -                        | -              | -                   | -                   | -                           | -                     | -                            |
| Development and improvements for sale to non RSLs  | -                              | -                    | -                        | -              | -                   | -                   | -                           | -                     | -                            |
| Other activities   | -                              | -                    | -                        | -              | -                   | -                   | -                           | -                     | -                            |
| <b>Total from other activities, 2011</b>   | <b>142,835</b>                 | <b>9,147</b>         | <b>127,331</b>           | <b>328,751</b> | <b>608,064</b>      |                     | <b>(3,093)</b>              | <b>509,058</b>        | <b>102,099</b>               |
| <b>Total from other activities, 2010</b>   | <b>211,428</b>                 | <b>9,605</b>         | <b>127,331</b>           | <b>353,237</b> |                     | <b>701,601</b>      | <b>15,300</b>               | <b>527,717</b>        | <b>158,584</b>               |

Notes to the Financial Statements  
For the year ended 31 March 2011

|   |                   |                     |                  |                    |                      |                  |
|---|-------------------|---------------------|------------------|--------------------|----------------------|------------------|
| <b>5. Operating Surplus</b>                               |                   |                     |                  |                    | <b>2011</b>          | <b>2010</b>      |
|   |                   |                     |                  |                    | <b>£</b>             | <b>£</b>         |
| Operating surplus is stated after charging:               |                   |                     |                  |                    |                      |                  |
| Operating lease rentals                                   |                   |                     |                  |                    | 6,145                | 6,145            |
| Depreciation  |                   |                     |                  |                    | 96,622               | 93,980           |
| Property maintenance                                      |                   |                     |                  |                    |                      |                  |
| - planned and cyclical                                    |                   |                     |                  |                    | 2,449,146            | 1,633,515        |
| - reactive maintenance                                    |                   |                     |                  |                    | 1,231,725            | 978,345          |
|   |                   |                     |                  |                    | <u>3,680,871</u>     | <u>2,611,860</u> |
| <br>  |                   |                     |                  |                    |                      |                  |
| <b>6. Interest Payable</b>                                |                   |                     |                  |                    | <b>2011</b>          | <b>2010</b>      |
|   |                   |                     |                  |                    | <b>£</b>             | <b>£</b>         |
| Interest payable in the year has been charged as follows: |                   |                     |                  |                    |                      |                  |
| Income and expenditure account                            |                   |                     |                  |                    | 761,270              | 768,190          |
|   |                   |                     |                  |                    | <u>761,270</u>       | <u>768,190</u>   |
| <br>  |                   |                     |                  |                    |                      |                  |
| <b>7. Tangible Fixed Assets:</b>                          |                   |                     |                  |                    | <b>Housing stock</b> |                  |
| <b>Housing Properties</b>                                 | <b>Number of</b>  | <b>General</b>      |                  |                    | <b>under</b>         |                  |
|   | <b>properties</b> | <b>needs</b>        | <b>Sheltered</b> | <b>development</b> |                      | <b>Total</b>     |
|   | <b>£</b>          | <b>£</b>            | <b>£</b>         | <b>£</b>           | <b>£</b>             |                  |
| <b>Cost</b>   |                   |                     |                  |                    |                      |                  |
| As at 1 April 2010  | 1,785             | 25,651,970          | 2,118,015        | 3,050,883          | 30,820,868           |                  |
| Additions   | 29                | 7,354               | -                | 1,095,054          | 1,102,408            |                  |
| Transfers   | -                 | 3,857,051           | (13,636)         | (3,843,415)        | -                    |                  |
| Disposals   | (29)              | (179,281)           | -                | -                  | (179,281)            |                  |
|   | <u>1,785</u>      | <u>29,337,094</u>   | <u>2,104,379</u> | <u>302,522</u>     | <u>31,743,995</u>    |                  |
| As at 31 March 2011                                       |                   |                     |                  |                    |                      |                  |
| <br>  |                   |                     |                  |                    |                      |                  |
| <b>Grants</b>   |                   |                     |                  |                    |                      |                  |
| As at 1 April 2010  |                   | (10,515,969)        | -                | (2,420,938)        | (12,936,907)         |                  |
| HAG received  |                   | -                   | -                | -                  | -                    |                  |
| Other grant income  |                   | -                   | -                | -                  | -                    |                  |
| Transfers   |                   | (2,420,938)         | -                | 2,420,938          | -                    |                  |
|   |                   | <u>(12,936,907)</u> | <u>-</u>         | <u>-</u>           | <u>(12,936,907)</u>  |                  |
| As at 31 March 2011                                       |                   |                     |                  |                    |                      |                  |
| <br>  |                   |                     |                  |                    |                      |                  |
| <b>Depreciation</b>                                       |                   |                     |                  |                    |                      |                  |
| As at 1 April 2010  |                   | (722,400)           | -                | -                  | (722,400)            |                  |
| Charge for period   |                   | (49,130)            | -                | -                  | (49,130)             |                  |
| On disposals  |                   | 138,847             | -                | -                  | 138,847              |                  |
|   |                   | <u>(632,683)</u>    | <u>-</u>         | <u>-</u>           | <u>(632,683)</u>     |                  |
| As at 31 March 2011                                       |                   |                     |                  |                    |                      |                  |
| <br>  |                   |                     |                  |                    |                      |                  |
| <b>Net Book Value</b>                                     |                   |                     |                  |                    |                      |                  |
| As at 31 March 2010                                       |                   | <u>14,413,601</u>   | <u>2,118,015</u> | <u>629,945</u>     | <u>17,161,561</u>    |                  |
| <br>  |                   |                     |                  |                    |                      |                  |
| <b>Net Book Value</b>                                     |                   |                     |                  |                    |                      |                  |
| As at 31 March 2011                                       |                   | <u>15,767,504</u>   | <u>2,104,379</u> | <u>302,522</u>     | <u>18,174,405</u>    |                  |

£3,680,871 has been spent on property maintenance (2010 - £2,611,860), and this has been written off through the income and expenditure account.

Notes to the Financial Statements  
For the year ended 31 March 2011

| 8. Tangible Fixed Assets:<br>Other Fixed Assets | Office<br>Property<br>£ | Machinery<br>&<br>Equipment<br>£ | Computer<br>Equipment<br>£ | Furniture &<br>Fittings<br>£ | Total<br>£       |
|---|-------------------------|----------------------------------|----------------------------|------------------------------|------------------|
| <b>Cost</b>                                     |                         |                                  |                            |                              |                  |
| As at 1 April 2010                              | 380,133                 | 206,990                          | 74,536                     | 121,836                      | 783,495          |
| Additions                                       | -                       | -                                | 15,690                     | 19,831                       | 35,521           |
| Disposals                                       | -                       | -                                | -                          | (5,525)                      | (5,525)          |
| As at 31 March 2011                             | <u>380,133</u>          | <u>206,990</u>                   | <u>90,226</u>              | <u>136,142</u>               | <u>813,491</u>   |
| <b>Grants</b>                                   |                         |                                  |                            |                              |                  |
| As at 1 April 2010                              | -                       | -                                | -                          | (53,272)                     | (53,272)         |
| Additions                                       | -                       | -                                | -                          | -                            | -                |
| Disposals                                       | -                       | -                                | -                          | -                            | -                |
| As at 31 March 2011                             | <u>-</u>                | <u>-</u>                         | <u>-</u>                   | <u>(53,272)</u>              | <u>(53,272)</u>  |
| <b>Depreciation</b>                             |                         |                                  |                            |                              |                  |
| As at 1 April 2010                              | (126,198)               | (95,031)                         | (53,172)                   | (29,221)                     | (303,622)        |
| Charge for period                               | (15,205)                | (13,807)                         | (10,932)                   | (7,548)                      | (47,492)         |
| On disposals                                    | -                       | -                                | -                          | 5,525                        | 5,525            |
| As at 31 March 2011                             | <u>(141,403)</u>        | <u>(108,838)</u>                 | <u>(64,104)</u>            | <u>(31,244)</u>              | <u>(345,589)</u> |
| <b>Net Book Value</b>                           |                         |                                  |                            |                              |                  |
| As at 31 March 2010                             | <u>253,935</u>          | <u>111,959</u>                   | <u>21,364</u>              | <u>39,343</u>                | <u>426,601</u>   |
| <b>Net Book Value</b>                           |                         |                                  |                            |                              |                  |
| As at 31 March 2011                             | <u>238,730</u>          | <u>98,152</u>                    | <u>26,122</u>              | <u>51,626</u>                | <u>414,630</u>   |

| 9. Housing Stock Numbers | 2011<br>Units | 2010<br>Units |
|--------------------------|---------------|---------------|
| General Needs Housing    | 1,496         | 1,491         |
| Sheltered Housing        | 283           | 285           |
| Community Projects Block | 6             | 3             |
| Commercial               | -             | 3             |
|                          | <u>1,785</u>  | <u>1,785</u>  |

| 10. Gain on Disposals of Fixed Assets            | 2011<br>£      | 2010<br>£      |
|--|----------------|----------------|
| Gross proceeds from the disposal of fixed assets | 173,170        | 332,781        |
| Less: Cost of sales of fixed assets              | (46,450)       | (1,183)        |
| Net gain on disposal of fixed assets             | <u>126,720</u> | <u>331,598</u> |

Notes to the Financial Statements  
For the year ended 31 March 2011

| 11. Debtors: Amounts falling due within one year            | 2011<br>£         | 2010<br>£         |
|---|-------------------|-------------------|
| Arrears of rent   | 184,767           | 194,523           |
| Less: Provision for bad debts                               | (102,754)         | (109,359)         |
|   | <u>82,013</u>     | <u>85,174</u>     |
| Sundry debtors and prepayments                              | 440,340           | 1,492,091         |
|   | <u>522,353</u>    | <u>1,577,265</u>  |
|   |                   |                   |
| 12. Creditors: Amounts falling due within one year          |                   |                   |
| Prepaid rent  | 156,712           | 139,310           |
| Trade creditors   | 184,733           | 320,286           |
| Sundry creditors and accruals                               | 1,337,386         | 1,266,953         |
| Loan instalments due within one year (see note 14)          | 195,096           | 183,593           |
|   | <u>1,873,927</u>  | <u>1,910,142</u>  |
|   |                   |                   |
| 13. Creditors: Amounts falling due after more than one year |                   |                   |
| Housing Loans (see note 14)                                 | <u>12,185,079</u> | <u>12,380,175</u> |
|   |                   |                   |
| 14. Loans   |                   |                   |
| Loans due within one year                                   | 195,096           | 183,593           |
| Loans due between 1 and 2 years                             | 201,301           | 195,096           |
| Loans due between 2 and 5 years                             | 705,720           | 658,684           |
| Loans due after 5 years                                     | 11,278,058        | 11,526,395        |
|   | <u>12,380,175</u> | <u>12,563,768</u> |

The loans are secured by standard securities over the Association's properties. The amounts secured are £12,380,175 (2010 – £12,563,768).

| 15. Obligations under Operating Lease Commitments  | 2011<br>£ | 2010<br>£    |
|--|-----------|--------------|
| The Association is committed to making the following payments during the year ending 31 March 2011 in relation to operating leases which expire: |           |              |
| Within one year  | -         | -            |
| Between two and five years   | -         | 6,145        |
|  | <u>-</u>  | <u>6,145</u> |

Notes to the Financial Statements  
For the year ended 31 March 2011

| 16. Share Capital   | 2011       |            | 2010       |            |
|---|------------|------------|------------|------------|
|   | No         | £          | No         | £          |
| Allotted, called up and fully paid Ordinary shares of £1 each |            |            |            |            |
| At 1 April 2010   | 283        | 283        | 380        | 380        |
| Issued during year  | 22         | 22         | 7          | 7          |
| Cancelled shares  | -          | -          | (104)      | (104)      |
| At 31 March 2011  | <u>305</u> | <u>305</u> | <u>283</u> | <u>283</u> |

The shares carry no rights to dividends, are irredeemable and do not entitle the holder to a distribution in the event of share company being wound up.

| 17. Designated Reserves               | 2011<br>£        | 2010<br>£        |
|---------------------------------------|------------------|------------------|
| <b>(a) Share capital reserve</b>      |                  |                  |
| At 1 April 2010                       | 382              | 278              |
| Transfer from share capital           | -                | 104              |
| At 31 March 2011                      | <u>382</u>       | <u>382</u>       |
| <b>(b) Maintenance reserve</b>        |                  |                  |
| At 1 April 2010                       | 4,477,680        | 4,082,142        |
| Transfer (to) / from revenue reserves | 349,604          | 395,538          |
| At 31 March 2011                      | <u>4,827,284</u> | <u>4,477,680</u> |
| Total designated reserves             | <u>4,827,666</u> | <u>4,478,062</u> |

| 18. Reconciliation of Movement in Accumulated Surplus | 2011<br>£        | 2010<br>£        |
|---|------------------|------------------|
| Revenue reserves as at 1 April 2010                   | 1,425,321        | 1,859,864        |
| Surplus for the year                                  | 378,781          | 1,246,161        |
| Transfer from / (to) maintenance reserves             | (349,604)        | (395,538)        |
| Pension scheme gains/(losses) in year                 | 521,142          | (1,285,166)      |
| Revenue reserves as at 31 March 2011                  | <u>1,975,640</u> | <u>1,425,321</u> |

19. Capital Commitments

The association had capital commitments authorised and contracted for as at 31 March 2011 amounting to £Nil (2010 - £1,190,828).

Notes to the Financial Statements  
For the year ended 31 March 2011

| <b>20. Staff Costs</b>          | <b>2011</b>      | <b>2010</b>      |
|---------------------------------|------------------|------------------|
|                                 | <b>£</b>         | <b>£</b>         |
| Wages and salaries              | 975,694          | 984,610          |
| Compensation for loss of office | 20,300           | -                |
| Social security costs           | 75,657           | 71,861           |
| Pension costs                   | 132,132          | 133,274          |
|                                 | <u>1,203,783</u> | <u>1,189,745</u> |

|  | <b>No</b> | <b>No</b> |
|--|-----------|-----------|
| The full time equivalent number of persons employed during the year was: | <u>40</u> | <u>43</u> |

**21. Officers' Emoluments**

a) In accordance with the Registered Social Landlords Accounting Requirements (Scotland) Order 2007, details of officers' total emoluments which exceed £60,000 (excluding pension contributions) are as follows:

|   | <b>2011</b>    | <b>2010</b>   |
|---|----------------|---------------|
|   | <b>£</b>       | <b>£</b>      |
| Officers' emoluments in excess of £60,000 (excluding pension contributions) | <u>141,312</u> | <u>66,750</u> |
| Emoluments payable to the Chief Executive (excluding pension contributions) | <u>68,750</u>  | <u>66,750</u> |

Pension contributions paid in respect of officers whose emoluments exceeded £60,000 during the period amounted to £19,938 (2010 - £10,650).

The officers with emoluments in excess of £60,000 (excluding pension contributions) were within the following ranges:

|                   | <b>2011</b> | <b>2010</b> |
|-------------------|-------------|-------------|
| £60,000 - £70,000 | <u>1</u>    | <u>1</u>    |
| £70,000 - £80,000 | <u>1</u>    | <u>-</u>    |

b) No members of the Management Committee received any remuneration during the year. Expenses reimbursed to committee members during the year amounted to £1,080 (2010 - £1,373).

| <b>22. Auditors' Remuneration</b> | <b>2011</b>   | <b>2010</b>   |
|-----------------------------------|---------------|---------------|
|                                   | <b>£</b>      | <b>£</b>      |
| Audit services                    | 10,083        | 6,889         |
| Non-audit services                | 3,071         | 3,818         |
|                                   | <u>13,154</u> | <u>10,707</u> |

**23. Taxation**

The Association has charitable status for taxation purposes and is not liable to corporation tax for the year.

Notes to the Financial Statements  
For the year ended 31 March 2011

24. Reconciliation of Operating Surplus to Net Cash Flow from Operating Activities

|                                    | 2011<br>£        | 2010<br>£        |
|------------------------------------|------------------|------------------|
| Operating surplus                  | 980,483          | 1,621,531        |
| Depreciation charge                | 96,622           | 93,980           |
| Pension service costs              | (366,646)        | 23,645           |
| Decrease / (increase) in debtors   | 1,054,912        | (821,955)        |
| (Decrease) / increase in creditors | (47,718)         | 243,948          |
|                                    | <u>1,717,653</u> | <u>1,161,149</u> |

25. Analysis of the Management of Liquid Resources

|                        | As at<br>1 April 2010<br>£ | Movement in<br>year<br>£ | As at<br>31 March 2011<br>£ |
|------------------------|----------------------------|--------------------------|-----------------------------|
| Bank and cash balances | 319,102                    | (165,115)                | 153,987                     |
| Funds held on deposit  | 2,807,766                  | -                        | 2,807,766                   |
|                        | <u>3,126,868</u>           | <u>(165,115)</u>         | <u>2,961,753</u>            |

26. Reconciliation of Net Cash Flow to Movement in Net Debt

|                                | 2011<br>£          | 2010<br>£          |
|--------------------------------|--------------------|--------------------|
| Decrease in cash in the period | (165,115)          | (1,780,469)        |
| Loans repaid                   | 183,593            | 166,411            |
|                                | <u>18,478</u>      | <u>(1,614,058)</u> |
| Change in net debt             | 18,478             | (1,614,058)        |
| Net debt at 1 April 2010       | (9,436,900)        | (7,822,842)        |
|                                | <u>(9,418,422)</u> | <u>(9,436,900)</u> |
| Net debt at 31 March 2011      | <u>(9,418,422)</u> | <u>(9,436,900)</u> |

27. Analysis of Changes in Net Debt

|                          | As at<br>1 April 2010<br>£ | Cash<br>Flows<br>£ | Other<br>Movements<br>£ | As at<br>31 March 2011<br>£ |
|--------------------------|----------------------------|--------------------|-------------------------|-----------------------------|
| Cash at bank and in hand | 3,126,868                  | (165,115)          | -                       | 2,961,753                   |
| Debt due within 1 year   | (183,593)                  | -                  | (11,503)                | (195,096)                   |
| Debt due after 1 year    | (12,380,175)               | -                  | 195,096                 | (12,185,079)                |
|                          | <u>(9,436,900)</u>         | <u>(165,115)</u>   | <u>183,593</u>          | <u>(9,418,422)</u>          |



**Notes to the Financial Statements**  
**For the year ended 31 March 2011**

**28. Pensions**

The pension cost figures used in these accounts comply with Financial Reporting Standard 17 (FRS 17).

The Association is an admitted body to the Tayside Superannuation Fund, a fund administered by Dundee City Council. The fund is a funded defined benefit pension scheme providing benefits based on final pensionable salary. Contributions to the fund are determined by the scheme's actuary using the projected unit method and are charged to the income and expenditure account as they are incurred. The pension costs for the period were £132,132 (2010 - £133,274).

Barnett Waddingham, a qualified independent actuary, has prepared a report, specific to FRS 17, based on the projected unit basis. The major assumptions used were:

|                   | <b>2011</b> | <b>2010</b> |
|-------------------|-------------|-------------|
| Price increase    | 3.5%        | 3.9%        |
| Salary increases  | 5.0%        | 5.4%        |
| Pension increases | 2.7%        | 3.9%        |
| Discount rate     | 5.5%        | 5.5%        |

The post retirement mortality tables adopted were the PA92 series projected to calendar year 2008 for current pensioners and 2018 for non-pensioners with a minimum improvement of 1% per annum.

The following details relate to the Abertay Housing Association and show the fair value of the assets, analysed over the main asset classes, together with the expected returns for each asset class.

| <b>Assets (Whole Fund)</b> | <b>Long Term Return<br/>% per annum<br/>2011</b> | <b>Fund Value at<br/>31 March 2011<br/>£000</b> | <b>Long Term Return<br/>% per annum<br/>2010</b> | <b>Fund Value at<br/>31 March 2010<br/>£000</b> |
|----------------------------|--|---|--|---|
| Equities                   | 8.2%   | 2,868   | 8.3%   | 2,608   |
| Gilts                      | 4.4%   | 279   | 4.5%   | 253   |
| Bonds                      | 5.5%   | 398   | 5.5%   | 362   |
| Property                   | 5.4%   | 359   | 5.5%   | 290   |
| Cash                       | 3.0%   | 80  | 3.0%   | 109   |
| <b>Total</b>               | <b>7.3%</b>                                      | <b>3,984</b>                                    | <b>7.4%</b>                                      | <b>3,622</b>                                    |

The table below compares the present value of the scheme liabilities, based on the Actuary's assumptions, with the estimated employer assets.

**Net pension liability**

|   |                    |                    |
|---|--------------------|--------------------|
| Estimated employer assets (A)           | 3,983,993          | 3,622,303          |
| Present value of Scheme Liabilities (B) | (5,194,517)        | (5,720,615)        |
| Net funded liability (A) – (B)          | (1,210,524)        | (2,098,312)        |
| Present value of Unfunded Liabilities   | -                  | -                  |
| Unrecognised past service cost          | -                  | -                  |
| Net liability in balance sheet          | <u>(1,210,524)</u> | <u>(2,098,312)</u> |

Notes to the Financial Statements  
For the year ended 31 March 2011

## 28. Pensions (contd)

## Analysis of the amount charged to operating profit

|  | 2011<br>£        | 2010<br>£       |
|--|------------------|-----------------|
| Service cost                           | 205,644          | 109,074         |
| Contributions by scheme participants   | (134,137)        | (132,796)       |
| Past service costs                     | (487,092)        | -               |
| Total operating charge (A)             | <u>(415,585)</u> | <u>(23,722)</u> |
| Expected Return on Employer Assets     | (269,535)        | (181,910)       |
| Interest on Pension Scheme Liabilities | 318,474          | 229,277         |
| Net Return (B)                         | <u>48,939</u>    | <u>47,367</u>   |
| Net Revenue Account Cost (A)-(B)       | <u>(366,646)</u> | <u>23,645</u>   |

## Analysis of amount recognised in statement of total recognised gains and losses (STRGL)

|   | Year to 31<br>March 2011<br>£ | Year to 31<br>March 2010<br>£ |
|---|-------------------------------|-------------------------------|
| Actual return less expected return on pension scheme assets                         | 22,138                        | 748,987                       |
| Experience gains and losses arising on the scheme liabilities                       | -                             | -                             |
| Changes in financial assumptions underlying the present value of scheme liabilities | 499,004                       | (2,034,153)                   |
| <b>Actuarial gain / (loss) in pension plan</b>                                      | <u>521,143</u>                | <u>(1,285,166)</u>            |
| Increase/(decrease) in irrecoverable surplus from membership fall and other factors | -                             | -                             |
| <b>Actuarial gain / (loss) recognised in STRGL</b>                                  | <u>521,143</u>                | <u>(1,285,166)</u>            |

Notes to the Financial Statements  
For the year ended 31 March 2011

28. Pensions (contd)

Movement in pension deficit during the year

|  | Year to 31<br>March 2011<br>£ | Year to 31<br>March 2010<br>£ |
|--|-------------------------------|-------------------------------|
| (Deficit) in scheme at beginning of year | (2,098,312)                   | (789,501)                     |
| Current service cost                     | (205,644)                     | (109,074)                     |
| Employer contributions                   | 134,137                       | 132,796                       |
| Other income                             | -                             | -                             |
| Other outgoings (e.g. expenses, etc)     | -                             | -                             |
| Past service costs                       | 487,092                       | -                             |
| Impact of settlements and curtailments   | -                             | -                             |
| Net return on assets                     | (48,939)                      | (47,367)                      |
| Actuarial gains/(losses)                 | 521,142                       | (1,285,166)                   |
|  | <u>(1,210,524)</u>            | <u>(2,098,312)</u>            |

History of experience gains and losses

|   | Year to 31<br>March 2011<br>£ | Year to 31<br>March 2010<br>£ |
|---|-------------------------------|-------------------------------|
| Difference between expected and actual return on assets | 22,138                        | 748,987                       |
| Value of assets   | 3,983,993                     | 3,622,303                     |
| Percentage of assets                                    | 0.6%                          | 20.7%                         |
| Experience gains/(losses) on liabilities                | -                             | -                             |
| Actuarial gains/losses recognised in STRGL              | 521,142                       | (1,285,166)                   |
| Present Value of Liabilities                            | 5,194,517                     | 5,720,615                     |
| Percentage of the present value of liabilities          | 10.0%                         | (22.5)                        |

In the UK budget statement on 22 June 2010, the Chancellor announced that with effect from 1 April 2011 public sector pensions would be up-rated in line with the Consumer Price Index (CPI) rather than the Retail Price Index (RPI).

This has the effect of reducing Abertay Housing Association Limited's liabilities in the Tayside Superannuation Fund by £487,000 and has been recognised as a past service gain in accordance with guidance set down in UITF Abstract 48, since the change is considered to be a change in benefit entitlement.

29. Potential Contingent Liability

At the year end the Association is in dispute with PME Partnership regarding outstanding fees. The Association strongly disagree with the potential liability and have taken legal advice to resolve this dispute as quickly as possible.