



ABERTAY HOUSING ASSOCIATION LIMITED

Report and Financial Statements

For the year ended 31 March 2012

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 2012

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ABERTAY HOUSING ASSOCIATION LIMITED

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Members, Executives and Advisers

Committee of Management

Kenneth Dunn (Chairperson)
Dorothy Taylor (Vice Chairperson)
Kathleen Mands
Russell Rowbotham OBE
Duncan Wood
Meryle Taylor
Bryan Morris
Helen Reeves
Ian Mathers
Alan Stevenson
Alex Miller (resigned 11 June 2012)
Drew McKelvie (appointed 25 April 2012)
Billy Webster (appointed 30 May 2012)

Executive Officers

Ian Thomson Chief Executive and Company Secretary
Ron Skea Operations Director (appointed 13 June 2011)
Donald Barnett Housing Services Director (retired 30 April 2011)
Lesley Ferguson Corporate Services Director (resigned 1 July 2011)
Laurence Barrett Corporate Services Director (appointed 5 January 2012, resigned 5 April 2012)

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 2012**

The Committee of Management present their report and the audited financial statements for the year ended 31 March 2012.

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 0.3% resulting in a rent increase of 5.0% taking effect from 1 April 2011 (2010: 1.3%). We strive to ensure that our rents remain competitive and affordable for our tenants.

The Association owned 1,773 properties at the end of the year. Of these 283 are used to provide sheltered housing. During the year 3 properties were sold under the Right to Buy entitlement. 1 Owner occupied property on a site scheduled for demolition was bought back during the year, and a further 9 were demolished. While the Association has successfully built around 170 high quality new homes in Dundee for affordable rent in recent years, the current levels of public subsidy are not sufficient to make this activity viable, and no new developments are currently planned.

The Association's priorities are to provide the best standard of homes for affordable let, and the best standard of service it can. We undertook an ambitious programme of improvements and planned maintenance during the year with a total spend of over £1.6million. This included expenditure of approximately £870,000 installing 331 new bathrooms, and over £295,000 installing 96 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, and we will continue to spend heavily on improving our stock over the coming years.

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 £12.38million to £12.19million at the year end.

The Association's bank balances increased over the year, from £2.96million to £3.1million, and we enter 2012-13 in a strong position to meet the challenges the sector will face in the coming years.

**Report of the Management Committee
For the year ended 31 March 2012**

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, and
- 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.

Component accounting

In accordance with the Statement of Recommended Practice (SORP) – Accounting by registered social housing providers, 2010, the Association has implemented component accounting for the first time this year. As this is a change in accounting policy the impact of component accounting has resulted in a restatement of the prior year figures via a prior year adjustment which is detailed at note 26. The introduction of component accounting ensures the major components of the Association's housing stock are identified and depreciated over their estimated economic life. The cost of any subsequent replacement of a major component will be capitalised in the balance sheet with the item replaced being disposed of from the balance sheet. This enables the financial statements to better reflect the use of the component over its life cycle.

**Report of the Management Committee
For the year ended 31 March 2012**

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.

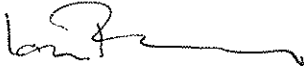
The Management Committee confirms that it has reviewed the effectiveness of the Association's system of internal financial control as it operated during the period ended 31 March 2012. No weaknesses were found in internal financial controls, which resulted in material losses, contingencies or uncertainties 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 2012**

Auditors

Scott-Moncrieff have expressed their willingness to continue in office as auditors. 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 over a horizontal line.

**Ian Thomson
Secretary**

Dated: 29 August 2012

**Independent Auditors' Report 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 2012 which comprise the income and expenditure account, statement of recognised surpluses and deficits 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 Housing Providers issued in 2010.

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 2012 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice – Accounting by Registered Social Housing Providers issued in 2010;
- have been prepared in accordance with the requirements of the Industrial and Provident Societies Acts 1965 to 2002, Part 6 of the Housing (Scotland) Act 2010 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007.

Independent Auditors' Report to the Members of
Abertay Housing Association Limited (cont'd)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts, 1965 to 2002 require us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Scott-Moncrieff

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

Dated: 29 August 2012

**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: 29 August 2012

**Income and Expenditure Account
For the year ended 31 March 2012**

	Notes	2012 £	2011 Restated £
Turnover	2	6,957,769	6,585,196
Less: Operating costs	2	(5,658,708)	(4,880,685)
Operating surplus	2	1,299,061	1,704,511
Gain on sale of fixed assets	10	36,069	126,720
Interest receivable		35,802	32,848
Interest payable	6	(751,648)	(761,270)
Surplus on ordinary activities before taxation		619,284	1,102,809
Tax on surplus on ordinary activities		-	-
Retained surplus for the year transferred to reserves	17	619,284	1,102,809

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 2012**

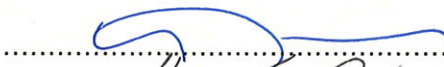
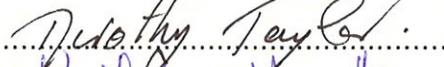

	Notes	2012 £	2011 Restated £
Surplus for the year		619,284	1,102,809
Actual return less expected return on pension scheme assets	25	(283,851)	22,138
Experience gains	25	567,567	-
Effect of changes in the actuarial assumptions	25	(678,564)	499,004
Prior year adjustment	26	4,161,106	-
Total surplus recognised since the last annual report		4,385,542	1,623,951

The notes on pages 12 to 26 form part of these financial statements

Balance Sheet
As at 31 March 2012

		2012	2011
	Notes	£	Restated £
Tangible fixed assets			
Housing properties	7	34,033,654	34,172,836
Less: HAG and other grants	7	(11,591,077)	(11,837,325)
		<u>22,442,577</u>	<u>22,335,511</u>
Other fixed assets	8	392,847	414,630
		<u>22,835,424</u>	<u>22,750,141</u>
Current assets			
Debtors	11	546,550	522,353
Cash at bank	22	3,095,283	2,961,753
		<u>3,641,833</u>	<u>3,484,106</u>
Current Liabilities			
Creditors: amounts falling due within one year	12	(1,718,711)	(1,873,927)
Net current assets		<u>1,923,122</u>	<u>1,610,179</u>
Total assets less current liabilities		24,758,546	24,360,320
Creditors: amounts falling due after more than one year	13	(11,983,778)	(12,185,079)
Pension liability	25	(1,585,610)	(1,210,524)
		<u>11,189,158</u>	<u>10,964,717</u>
Capital and reserves			
Share capital	15	310	305
Designated reserves	16	3,871,285	4,827,666
Revenue reserve	17	8,903,173	7,347,270
Pension reserve	17	(1,585,610)	(1,210,524)
		<u>11,189,158</u>	<u>10,964,717</u>

The financial statements on pages 9 to 26 were authorised for issue by the Committee of Management on 29 August 2012 and were signed on its behalf by:

Chair		Kenneth Dunn
Vice Chair		Dorothy Taylor
Committee Member		Kathleen Mands

The notes on pages 12 to 26 form part of these financial statements.

Cash Flow Statement
For the year ended 31 March 2012

	Notes	2012		2011 Restated	
		£	£	£	£
Net cash inflow from operating activities	21		2,350,118		3,474,853
Returns on investments and servicing of finance					
Interest received		35,802		32,848	
Interest paid		(751,648)		(761,270)	
Net cash outflow from returns on Investments and servicing of finance			(715,846)		(728,422)
Capital Expenditure and financial investment					
Acquisition & construction of properties		(1,326,364)		(2,859,608)	
Purchase of other fixed assets		(35,904)		(35,521)	
Sales of properties, net proceeds		56,610		167,154	
Net cash outflow from capital expenditure			(1,305,658)		(2,727,975)
Net cash inflow before use of liquid resources and financing			328,614		18,456
Financing					
Loan repayment		(195,096)		(183,593)	
Issue of share capital		12		22	
Net cash outflow from financing			(195,084)		(183,571)
Increase/(decrease) in cash	22		133,530		(165,115)

Notes to the Financial Statements
For the year ended 31 March 2012

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 2010 (SORP), Accounting by Registered Social Housing Providers.

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. Each housing unit has been split between its major component parts. Each major component is depreciated on a straight line basis over its expected economic useful life. The following major components and useful lives have been identified by the Association:

Land	Not Depreciated
Structure	over 50 years
Roofs	over 40 years
Window & Doors	over 20 years
Kitchens	over 15 years
Bathrooms	over 20 years
Central Heating	over 20 years

The Association owned 2 substandard properties at the balance sheet date, which will eventually be demolished and these particular properties have been fully depreciated.

Notes to the Financial Statements
For the year ended 31 March 2012

1. Accounting Policies (continued)

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%

(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.

(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.

ABERTAY HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements
For the year ended 31 March 2012

2. Particulars of Turnover, Operating Costs and Operating Surplus

	Notes	2012		2011		
		Turnover £	Operating Costs £	Turnover £	Restated Operating Costs £	Operating Surplus £
Income and expenditure from lettings	3	6,292,988	5,132,084	5,977,132	4,374,720	1,602,412
Other income and expenditure	4	664,781	526,624	608,064	505,965	102,099
		<u>6,957,769</u>	<u>5,658,708</u>	<u>6,585,196</u>	<u>4,880,685</u>	<u>1,704,511</u>

Notes to the Financial Statements
For the year ended 31 March 2012

3. Particulars of Income and Expenditure from Lettings

	General Needs Housing	Sheltered Housing	Shared Ownership Housing	Other	2012	2011 Restated £
	£	£	£	£	£	£
Income from lettings						
Rent receivable net of identifiable service charges	5,162,066	865,767	-	-	6,027,833	5,724,976
Identifiable service charges receivable	-	289,155	-	-	289,155	270,413
Gross rents receivable	5,162,066	1,154,922	-	-	6,316,988	5,995,389
Less: rent losses from voids	(30,182)	(10,808)	-	-	(40,990)	(31,057)
Total net income from lettings	5,131,884	1,144,114	-	-	6,275,998	5,964,332
Grants from the Scottish Ministers	-	-	-	-	-	-
Other revenue grants	16,990	-	-	-	16,990	12,800
Total turnover from social letting activities	5,148,874	1,144,114	-	-	6,292,988	5,977,132
Expenditure on letting activities						
Management and maintenance administration costs	1,332,541	111,917	-	-	1,444,458	1,122,014
Service costs	134,538	123,399	-	-	257,937	211,447
Planned and cyclical maintenance including major repairs	628,964	100,237	-	-	729,201	691,947
Reactive maintenance	1,302,131	158,098	-	-	1,460,229	1,231,725
Rent losses from bad debts	35,735	5,775	-	-	41,510	35,286
Depreciation of social housing	1,198,749	-	-	-	1,198,749	1,082,301
Impairment of social housing	-	-	-	-	-	-
Operating costs for social letting activities	4,632,658	499,426	-	-	5,132,084	4,374,720
Operating Surplus for social lettings, 2012	516,216	644,688	-	-	1,160,904	1,602,412
Operating Surplus for social lettings, 2011 (restated)	1,236,305	366,107	-	-	1,602,412	

ABERTAY HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements
For the year ended 31 March 2012

4. Particulars of other Income and Expenditure

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total turnover 2012	Total turnover 2011	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	-	-	-
Care and repair of property	207,294	-	-	14,132	221,426	171,780	-	182,321	39,105
Factoring	-	-	-	184,776	184,776	171,651	2,722	159,674	24,196
Development and construction of property activities	7,049	-	-	-	7,049	-	-	-	24,968
Support activities	-	-	127,331	124,199	251,530	255,486	-	181,907	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	-	-	-	-	-	-	-	-	-
Total from other activities, 2012	214,343	-	127,331	323,107	664,781		2,722	523,902	138,157
Total from other activities, 2011	142,835	9,147	127,331	328,751		608,064	(3,093)	509,058	102,099

Notes to the Financial Statements
For the year ended 31 March 2012

5. Operating Surplus		2012	2011	
		£	£	
Operating surplus is stated after charging:				
Operating lease rentals		-	6,145	
Depreciation		1,256,436	1,129,793	
Property maintenance		2,189,430	1,923,672	
Auditors' Remuneration				
- Audit services		7,503	10,083	
- Non-audit services		-	3,071	
		<u> </u>	<u> </u>	
6. Interest Payable		2012	2011	
		£	£	
Interest payable in the year has been charged as follows:				
Income and expenditure account		751,648	761,270	
		<u> </u>	<u> </u>	
7. Tangible Fixed Assets:				
Housing Properties	Number of properties	Housing stock held for letting	Housing stock under development	Total
	£	£	£	£
Cost				
As at 1 April 2011	1,785	31,441,473	302,522	31,743,995
PY adjustment	-	10,552,355	(6,057)	10,546,298
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 1 April 2011 (restated)	1,785	41,993,828	296,465	42,290,293
Additions	-	1,262,443	63,921	1,326,364
Disposals	(12)	(358,339)	-	(358,339)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 March 2012	1,773	42,897,932	360,386	43,258,318
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Grants				
As at 1 April 2011		(12,936,907)	-	(12,936,907)
PY adjustment		114,297	-	114,297
		<u> </u>	<u> </u>	<u> </u>
As at 1 April 2011 (restated)		(12,822,610)	-	(12,822,610)
Disposals		64,802	-	64,802
		<u> </u>	<u> </u>	<u> </u>
As at 31 March 2012		(12,757,808)	-	(12,757,808)
		<u> </u>	<u> </u>	<u> </u>
Depreciation				
As at 1 April 2011		(632,683)	-	(632,683)
PY adjustment		(7,484,774)	-	(7,484,774)
		<u> </u>	<u> </u>	<u> </u>
As at 1 April 2011 (restated)		(8,117,457)	-	(8,117,457)
Charge for period		(1,282,904)	-	(1,282,904)
On disposals		175,698	-	175,698
		<u> </u>	<u> </u>	<u> </u>
As at 31 March 2012		(9,224,663)	-	(9,224,663)
		<u> </u>	<u> </u>	<u> </u>
Grant Amortisation				
As at 1 April 2011		-	-	-
PY adjustment		985,285	-	985,285
		<u> </u>	<u> </u>	<u> </u>
As at 1 April 2011 (restated)		985,285	-	985,285
Charge for period		210,531	-	210,531
On disposals		(29,086)	-	(29,086)
		<u> </u>	<u> </u>	<u> </u>
As at 31 March 2012		1,166,730	-	1,166,730
		<u> </u>	<u> </u>	<u> </u>
Net Book Value				
As at 31 March 2011		22,039,046	296,465	22,335,511
		<u> </u>	<u> </u>	<u> </u>
Net Book Value				
As at 31 March 2012		22,082,191	360,386	22,442,577
		<u> </u>	<u> </u>	<u> </u>

Notes to the Financial Statements
For the year ended 31 March 2012

8. Tangible Fixed Assets:					
Other Fixed Assets	Office Property £	Machinery & Equipment £	Computer Equipment £	Furniture & Fittings £	Total £
Cost					
As at 1 April 2011	380,133	206,990	90,226	136,142	813,491
Additions	-	-	13,685	22,219	35,904
Disposals	-	-	-	-	-
As at 31 March 2012	380,133	206,990	103,911	158,361	849,395
Grants					
As at 1 April 2011	-	-	-	(53,272)	(53,272)
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 March 2012	-	-	-	(53,272)	(53,272)
Depreciation					
As at 1 April 2011	(141,403)	(108,838)	(64,104)	(31,244)	(345,589)
Charge for period	(15,205)	(13,806)	(14,591)	(14,085)	(57,687)
On disposals	-	-	-	-	-
As at 31 March 2012	(156,608)	(122,644)	(78,695)	(45,329)	(403,276)
Net Book Value					
As at 31 March 2011	238,730	98,152	26,122	51,626	414,630
As at 31 March 2012	223,525	84,346	25,216	59,760	392,847
9. Housing Stock Numbers			2012 Units	2011 Units	
General Needs Housing			1,484	1,496	
Sheltered Housing			283	283	
Community Projects Block			6	6	
			1,773	1,785	
10. Gain on Disposals of Fixed Assets			2012 £	2011 £	
Gross proceeds from the disposal of fixed assets			60,000	173,170	
Less: Cost of sales of fixed assets			(23,931)	(46,450)	
Net gain on disposal of fixed assets			36,069	126,720	

Notes to the Financial Statements
For the year ended 31 March 2012

11. Debtors: Amounts falling due within one year	2012	2011
	£	£
Arrears of rent	171,135	184,767
Less: Provision for bad debts	(107,366)	(102,754)
	<u>63,769</u>	<u>82,013</u>
Sundry debtors and prepayments	482,781	440,340
	<u>546,550</u>	<u>522,353</u>
12. Creditors: Amounts falling due within one year		
Prepaid rent	162,574	156,712
Trade creditors	255,760	184,733
Sundry creditors and accruals	1,099,076	1,337,386
Loan instalments due within one year (see note 14)	201,301	195,096
	<u>1,718,711</u>	<u>1,873,927</u>
13. Creditors: Amounts falling due after more than one year		
Housing Loans (see note 14)	<u>11,983,778</u>	<u>12,185,079</u>
14. Loans		
Loans due within one year	201,301	195,096
Loans due between 1 and 2 years	221,980	201,301
Loans due between 2 and 5 years	745,741	705,720
Loans due after 5 years	11,016,057	11,278,058
	<u>12,185,079</u>	<u>12,380,175</u>

The loans are secured by standard securities over the Association's properties. The amounts secured are £12,185,079 (2011 – £12,380,175).

Notes to the Financial Statements
For the year ended 31 March 2012

15. Share Capital	2012 No	2011 No
Allotted, called up and fully paid Ordinary shares of £1 each		
At 1 April 2011	305	283
Issued during year	12	22
Cancelled shares	(7)	-
	310	305
At 31 March 2012	310	305
<p>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.</p>		
16. Designated Reserves	2012 £	2011 £
(a) Share capital reserve		
At 1 April 2011	382	382
Transfer from share capital	-	-
	382	382
At 31 March 2012	382	382
(b) Maintenance reserve		
At 1 April 2011	4,827,284	4,477,680
Transfer (to) / from revenue reserves	(956,381)	349,604
	3,870,903	4,827,284
At 31 March 2012	3,870,903	4,827,284
Total designated reserves	3,871,285	4,827,666
17. Reconciliation of Movement in Accumulated Surplus	2012 £	2011 £
Revenue reserves as at 1 April 2011	6,136,746	1,425,321
Prior year adjustment	-	3,437,078
	6,136,746	4,862,399
Revenue reserves as at 1 April 2011 (restated)	6,136,746	4,862,399
Surplus for the year	619,284	1,102,809
Transfer from / (to) maintenance reserves	956,381	(349,604)
Pension scheme (losses)/gains in year	(394,848)	521,142
	7,317,563	6,136,746
Revenue reserves as at 31 March 2012	7,317,563	6,136,746
Split as:		
Revenue reserve	8,903,173	7,347,270
Pension reserve	(1,585,610)	(1,210,524)
	7,317,563	6,136,746
	7,317,563	6,136,746

Notes to the Financial Statements
For the year ended 31 March 2012

18. Staff Costs	2012 £	2011 £
Wages and salaries	982,394	975,694
Compensation for loss of office	-	20,300
Social security costs	75,715	75,657
Pension costs	125,357	132,132
	<u>1,183,466</u>	<u>1,203,783</u>

The full time equivalent number of persons employed during the year was:

No	No
<u>39</u>	<u>40</u>

19. 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:

	2012 £	2011 £
Officers' emoluments in excess of £60,000 (excluding pension contributions)	<u>70,870</u>	<u>141,312</u>
Emoluments payable to the Chief Executive (excluding pension contributions)	<u>70,870</u>	<u>68,750</u>

Pension contributions paid in respect of officers whose emoluments exceeded £60,000 during the period amounted to £12,389 (2011 - £19,938).

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

	2012	2011
£60,000 - £70,000	-	1
£70,000 - £80,000	<u>1</u>	<u>1</u>

b) No members of the Management Committee received any remuneration during the year. Expenses reimbursed to committee members during the year amounted to £992 (2011 - £1,080).

20. 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 2012

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

	2012 £	2011 £
Operating surplus	1,299,061	1,704,511
Depreciation charge	1,256,436	1,129,793
Pension service costs	(19,762)	(366,646)
(Increase) / decrease in debtors	(24,196)	1,054,912
Decrease in creditors	(161,421)	(47,717)
	<u>2,350,118</u>	<u>3,474,853</u>
Net cash inflow from operating activities	<u>2,350,118</u>	<u>3,474,853</u>

22. Analysis of the Management of Liquid Resources

	As at 1 April 2011 £	Movement in year £	As at 31 March 2012 £
Bank and cash balances	153,987	133,530	287,517
Funds held on deposit	2,807,766	-	2,807,766
	<u>2,961,753</u>	<u>133,530</u>	<u>3,095,283</u>

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

	2012 £	2011 £
Increase / (decrease) in cash in the period	133,530	(165,115)
Loans repaid	195,096	183,593
	<u>328,626</u>	<u>18,478</u>
Change in net debt	328,626	18,478
Net debt at 1 April 2011	(9,418,422)	(9,436,900)
	<u>(9,089,796)</u>	<u>(9,418,422)</u>
Net debt at 31 March 2012	<u>(9,089,796)</u>	<u>(9,418,422)</u>

24. Analysis of Changes in Net Debt

	As at 1 April 2011 £	Cash Flows £	Other Movements £	As at 31 March 2012 £
Cash at bank and in hand	2,961,753	133,530	-	3,095,283
Debt due within 1 year	(195,096)	-	(6,205)	(201,301)
Debt due after 1 year	(12,185,079)	-	201,301	(11,983,778)
	<u>(9,418,422)</u>	<u>133,530</u>	<u>195,096</u>	<u>(9,089,796)</u>

Notes to the Financial Statements
For the year ended 31 March 2012

25. 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 £125,357 (2011 - £132,132).

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:

	2012	2011
RPI increases	3.3%	3.5%
CPI increases	2.5%	2.7%
Salary increases	4.8%	5.0%
Pension increases	2.5%	2.7%
Discount rate	4.6%	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.

Assets (Whole Fund)	Long Term Return % per annum 2012	Fund Value at 31 March 2012 £000	Long Term Return % per annum 2011	Fund Value at 31 March 2011 £000
Equities	7.1%	2,699	8.2%	2,868
Gilts	3.3%	318	4.4%	279
Bonds	4.6%	437	5.5%	398
Property	4.3%	437	5.4%	359
Cash	3.0%	79	3.0%	80
Total	6.1%	3,970	7.3%	3,984

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)	3,969,651	3,983,993
Present value of Scheme Liabilities (B)	(5,555,261)	(5,194,517)
Net funded liability (A) – (B)	(1,585,610)	(1,210,524)
Present value of Unfunded Liabilities	-	-
Unrecognised past service cost	-	-
Net liability in balance sheet	(1,585,610)	(1,210,524)

Notes to the Financial Statements
For the year ended 31 March 2012

25. Pensions (cont'd)

Analysis of the amount charged to operating profit

	2012 £	2011 £
Service cost	141,227	205,644
Contributions by scheme participants	(123,668)	(134,137)
Past service costs	-	(487,092)
	<u>17,559</u>	<u>(415,585)</u>
Expected Return on Employer Assets	(300,479)	(269,535)
Interest on Pension Scheme Liabilities	263,158	318,474
	<u>(37,321)</u>	<u>48,939</u>
Net Return (B)	(37,321)	48,939
Net Revenue Account Cost (A)+(B)	<u>(19,762)</u>	<u>(366,646)</u>

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

	Year to 31 March 2012 £	Year to 31 March 2011 £
Actual return less expected return on pension scheme assets	(283,851)	22,138
Experience gains and losses arising on the scheme liabilities	567,567	-
Changes in financial assumptions underlying the present value of scheme liabilities	(678,564)	499,004
	<u>(394,848)</u>	<u>521,142</u>
Actuarial (gain) / loss recognised in STRGL	<u>(394,848)</u>	<u>521,142</u>

Notes to the Financial Statements
For the year ended 31 March 2012

25. Pensions (cont'd)

Movement in pension deficit during the year

	Year to 31 March 2012 £	Year to 31 March 2011 £
(Deficit) in scheme at beginning of year	(1,210,524)	(2,098,312)
Current service cost	(141,227)	(205,644)
Employer contributions	123,668	134,137
Past service costs	-	487,092
Net return on assets	37,321	(48,939)
Actuarial (losses)/gains	(394,848)	521,142
	<u>(1,585,610)</u>	<u>(1,210,524)</u>

History of experience gains and losses

	Year to 31 March 2012 £	Year to 31 March 2011 £
Difference between expected and actual return on assets	(283,851)	22,138
Value of assets	3,969,651	3,983,993
Percentage of assets	(0.1%)	0.6%
Experience gains/(losses) on liabilities	286,785	-
Actuarial (losses)/gains recognised in STRGL	(394,848)	521,142
Present Value of Liabilities	5,555,261	5,194,517
Percentage of the present value of liabilities	5.2%	10.0%

26. Prior Year Adjustment

In accordance with the Statement of Recommended Practice (SORP) – Accounting by registered social housing providers, 2010, the Association has implemented component accounting for the first time this year. As this is a change in accounting policy the impact of component accounting has resulted in a restatement of the prior year figures via a prior year adjustment.

The principle of component accounting is to treat major components of an asset as if each component is a separate asset in its own right and depreciate the components over their individual useful economic lives. It follows therefore, that when a component is replaced, the old component is written off, in order to avoid double counting, with the new component capitalised and then amortised over its expected useful life.

Notes to the Financial Statements
For the year ended 31 March 2012

26. Prior Year Adjustment (cont'd)

The effect of this change in accounting policy on the 2011 financial statements is shown below. The 2011 opening reserves have increased by £3,437,078 of which £6,408,829 relates to increased depreciation and £8,960,096 relates to major repairs previously written off to the Income and Expenditure account now capitalised as components. £114,297 relates to grant income written off to the Income and Expenditure account, and £771,514 relates to grant income amortisation.

Effect on the 2011 financial statements

	<u>£</u>
Increase in depreciation	(1,246,942)
Increase in grant amortisation	213,771
Reduction in major repairs cost	1,757,199
	<hr/>
Increase in Income and Expenditure surplus	724,028
	<hr/> <hr/>

The total effect of the prior year adjustment is therefore £4,161,106.