



ABERTAY HOUSING ASSOCIATION LIMITED

Report and Financial Statements

For the year ended 31 March 2013

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 2013

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Members, Executives and Advisers**Committee of Management**

Kenneth Dunn (resigned 22 May 2013) (Chairperson to 22 May 2013)
Dorothy Taylor (Vice Chairperson to 22 May 2013, Chairperson from 22 May 2013)

Kathleen Mands (Vice Chairperson from 22 May 2013)

Ian Mathers

Drew McKelvie (appointed 25 April 2012)

Alex Miller (resigned 11 June 2012)

Bryan Morris

Helen Reeves

Russell Rowbotham OBE (resigned 22 May 2013)

Alan Stevenson (resigned 30 January 2013)

Meryle Taylor

Billy Webster (appointed 30 May 2012)

Duncan Wood

Executive Officers

Ian Thomson Chief Executive and Company Secretary

Bob Sander Operations Director (appointed 4 February 2013)

Ron Skea Operations Director (resigned 14 September 2012)

Marjorie Sloan Corporate Services Director (appointed 4 February 2013)

Laurence Barrett Corporate Services Director (resigned 5 April 2012)

Registered office

147 Fintry Drive
Dundee
DD4 9HE

Auditor

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 2013**

The Committee of Management present their report and the audited financial statements for the year ended 31 March 2013.

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 5.2% taking effect from 1 April 2012 (2011: 5.0%). We strive to ensure that our rents remain competitive and affordable for our tenants.

The Association owned 1,770 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. 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 £2.4million. This included expenditure of approximately £463,000 installing 141 new bathrooms, and £978,000 installing 178 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 £12.19 million to £11.98 million at the year end.

The Association's bank balances increased over the year, from £3.1 million to £3.8 million, and we enter 2013/14 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 2013**

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 Committee 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; 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.

**Report of the Management Committee
For the year ended 31 March 2013****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 year ended 31 March 2013. 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.

Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are members of the Management Committee at the time the report is approved:

- So far as the Committee members are aware, there is no relevant information of which the Association's auditor is unaware, and
- He/she has taken all the steps that he/she ought to have taken as a Committee member in order to make himself/herself aware of any relevant information, and to establish that the Association's auditor is aware of the information.

**Report of the Management Committee
For the year ended 31 March 2013**

Auditor

Scott-Moncrieff have expressed their willingness to continue in office as the auditor. 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: 28 August 2013

Independent Auditor's 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 2013 which comprise the Income and Expenditure Account, the Statement of Recognised Surpluses and Deficits, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the 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:

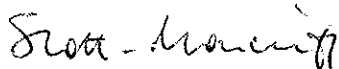
- give a true and fair view of the state of the Association's affairs as at 31 March 2013 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice – Accounting by Registered Social Housing Providers issued in 2010; and
- 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 Determination of Accounting Requirements 2012 issued by the Scottish Housing Regulator.

Independent Auditor's 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
Statutory Auditor
Chartered Accountants
25 Bothwell Street
Glasgow
G2 6NL

Dated: 28 August 2013

Report of the Auditor 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: 28 August 2013

**Income and Expenditure Account
For the year ended 31 March 2013**

		2013	2012
	Notes	£	£
Turnover	2	7,178,019	6,957,769
Less: Operating costs	2	(5,780,388)	(5,658,708)
Operating surplus	2	1,397,631	1,299,061
Gain on sale of fixed assets	10	69,623	36,069
Interest receivable		41,424	35,802
Interest payable	6	(737,453)	(751,648)
Surplus on ordinary activities before taxation		771,225	619,284
Tax on surplus on ordinary activities	20	-	-
Retained surplus for the year transferred to reserves	17	771,225	619,284

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 2013**

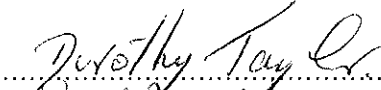
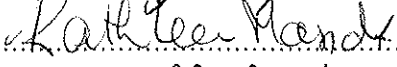
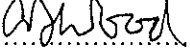
		2013	2012
	Notes	£	£
Surplus for the year		771,225	619,284
Actual return less expected return on pension scheme assets	25	427,205	(283,851)
Experience gains	25	-	567,567
Effect of changes in the actuarial assumptions	25	(306,269)	(678,564)
Prior year adjustment		-	4,161,106
Total surplus recognised since the last annual report		892,161	4,385,542

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

Balance Sheet
As at 31 March 2013

		2013	2012
	Notes	£	£
Tangible fixed assets			
Housing properties	7	34,112,267	34,033,654
Less: HAG and other grants	7	(11,268,144)	(11,591,077)
		<u>22,844,123</u>	<u>22,442,577</u>
Other fixed assets	8	368,461	392,847
		<u>23,212,584</u>	<u>22,835,424</u>
Current assets			
Debtors	11	362,209	546,550
Cash at bank	22	3,760,395	3,095,283
		<u>4,122,604</u>	<u>3,641,833</u>
Current Liabilities			
Creditors: amounts falling due within one year	12	(1,965,399)	(1,718,711)
Net current assets		<u>2,157,205</u>	<u>1,923,122</u>
Total assets less current liabilities		<u>25,369,789</u>	<u>24,758,546</u>
Creditors: amounts falling due after more than one year	13	(11,761,798)	(11,983,778)
Pension liability	25	(1,526,729)	(1,585,610)
		<u>12,081,262</u>	<u>11,189,158</u>
Capital and reserves			
Share capital	15	253	310
Designated reserves	16	3,871,285	3,871,285
Revenue reserve	17	9,736,453	8,903,173
Pension reserve	17	(1,526,729)	(1,585,610)
		<u>12,081,262</u>	<u>11,189,158</u>

The financial statements on pages 9 to 25 were authorised for issue by the Committee of Management on 28 August 2013 and were signed on its behalf by:

Chair		Dorothy Taylor
Vice Chair		Kathleen Mands
Committee Member		Duncan Wood

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

Cash Flow Statement
For the year ended 31 March 2013

	Notes	2013		2012	
		£	£	£	£
Net cash inflow from operating activities	21		3,272,198		2,350,111
Returns on investments and servicing of finance					
Interest received		41,424		35,802	
Interest paid		(737,453)		(751,648)	
			(696,029)		(715,846)
Net cash outflow from returns on Investments and servicing of finance					
Capital Expenditure and financial investment					
Acquisition & construction of properties		(1,772,212)		(1,326,364)	
Purchase of other fixed assets		(35,404)		(35,904)	
Sales of properties, net proceeds		97,851		56,617	
			(1,709,765)		(1,305,651)
Net cash outflow from capital expenditure					
Net cash inflow before use of liquid resources and financing			866,404		328,614
Financing					
Loan repayment		(201,301)		(195,096)	
Issue of share capital		9		12	
			(201,292)		(195,084)
Net cash outflow from financing					
Increase in cash	22		665,112		133,530

Notes to the Financial Statements
For the year ended 31 March 2013

The Association is registered under the Friendly and Industrial and Provident Societies Acts. The financial statements have been prepared in accordance with The Determination of Accounting Requirements 2012 issued by the Scottish Housing Regulator 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 (d) 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 15-20 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 2013

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.

Notes to the Financial Statements
For the year ended 31 March 2013

2. Particulars of Turnover, Operating Costs and Operating Surplus

	Notes	2013			2012		
		Turnover £	Operating Costs £	Operating Surplus £	Turnover £	Operating Costs £	Operating Surplus £
Income and expenditure from lettings	3	6,578,639	5,332,877	1,245,762	6,292,988	5,132,084	1,160,904
Other income and expenditure	4	599,380	447,511	151,869	664,781	526,624	138,157
		<u>7,178,019</u>	<u>5,780,388</u>	<u>1,397,631</u>	<u>6,957,769</u>	<u>5,658,708</u>	<u>1,299,061</u>

Notes to the Financial Statements
For the year ended 31 March 2013

3. Particulars of Income and Expenditure from Lettings

	General Needs Housing		Sheltered Housing		2013		2012	
	£	£	£	£	£	£	£	£
Income from lettings								
Rent receivable net of identifiable service charges	5,422,495	911,121	6,333,616	6,027,833				
Identifiable service charges receivable	-	305,109	305,109	289,155				
Gross rents receivable	<u>5,422,495</u>	<u>1,216,230</u>	<u>6,638,725</u>	<u>6,316,988</u>				
Less: rent losses from voids	<u>(46,287)</u>	<u>(13,799)</u>	<u>(60,086)</u>	<u>(40,990)</u>				
Total net income from lettings	<u>5,376,208</u>	<u>1,202,431</u>	<u>6,578,639</u>	<u>6,275,998</u>				
Grants from the Scottish Ministers	-	-	-	-				
Other revenue grants	-	-	-	16,990				
Total turnover from social letting activities	<u>5,376,208</u>	<u>1,202,431</u>	<u>6,578,639</u>	<u>6,292,988</u>				
Expenditure on letting activities								
Management and maintenance administration costs	1,540,259	119,416	1,659,675	1,444,458				
Service costs	124,978	125,783	250,761	257,937				
Planned and cyclical maintenance including major repairs	529,502	100,226	629,728	729,201				
Reactive maintenance	1,204,291	183,245	1,387,536	1,460,229				
Rent losses from bad debts	55,502	6,081	61,583	41,510				
Depreciation of social housing	1,343,594	-	1,343,594	1,198,749				
Impairment of social housing	-	-	-	-				
Operating costs for social letting activities	<u>4,798,126</u>	<u>534,751</u>	<u>5,332,877</u>	<u>5,132,084</u>				
Operating Surplus for social lettings, 2013	<u>578,082</u>	<u>667,680</u>	<u>1,245,762</u>	<u>1,160,904</u>				
Operating Surplus for social lettings, 2012	<u>516,216</u>	<u>644,688</u>	<u>1,160,904</u>	<u>1,160,904</u>				

Notes to the Financial Statements
For the year ended 31 March 2013

4. Particulars of other Income and Expenditure

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total turnover 2013	Total turnover 2012	Operating costs – bad debts	Other operating costs	Operating surplus or (deficit) 2013	Operating surplus or (deficit) 2012
	£	£	£	£	£	£	£	£	£	£
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of house	-	-	-	-	-	-	-	-	-	-
Care and repair of property	168,154	-	-	29,114	197,268	221,426	-	141,494	55,774	39,105
Factoring	-	-	-	147,998	147,998	184,776	6,980	121,268	19,750	22,380
Development and construction of property activities	-	-	-	-	-	7,049	-	-	-	7,049
Support activities	-	-	127,331	126,783	254,114	251,530	-	177,769	76,345	69,623
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, 2013	168,154	-	127,331	303,895	599,380	664,781	6,980	440,531	151,869	138,157
Total from other activities, 2012	214,343	-	127,331	323,107	664,781	664,781	2,722	523,902	138,157	138,157

Notes to the Financial Statements
For the year ended 31 March 2013

5. Operating Surplus		2013	2012
		£	£
Operating surplus is stated after charging:			
Depreciation		1,402,228	1,256,436
Property maintenance		2,017,264	2,189,430
Auditor's Remuneration			
- Audit services		9,965	7,503
- Non-audit services		300	-
		<u> </u>	<u> </u>
6. Interest Payable		2013	2012
		£	£
Interest payable in the year has been charged as follows:			
Income and expenditure account		737,453	751,648
		<u> </u>	<u> </u>
7. Tangible Fixed Assets: Housing Properties	Housing stock held for letting	Housing stock under development	Total
	£	£	£
Cost			
As at 1 April 2012	42,897,932	360,386	43,258,318
Additions	1,772,212	-	1,772,212
Disposals	(650,852)	-	(650,852)
	<u> </u>	<u> </u>	<u> </u>
As at 31 March 2013	44,019,292	360,386	44,379,678
	<u> </u>	<u> </u>	<u> </u>
Grants			
As at 1 April 2012	(12,757,808)	-	(12,757,808)
Disposals	271,506	-	271,506
	<u> </u>	<u> </u>	<u> </u>
As at 31 March 2013	(12,486,302)	-	(12,486,302)
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
As at 1 April 2012	(9,224,663)	-	(9,224,663)
Charge for period	(1,379,297)	-	(1,379,297)
On disposals	336,549	-	336,549
	<u> </u>	<u> </u>	<u> </u>
As at 31 March 2013	(10,267,411)	-	(10,267,411)
	<u> </u>	<u> </u>	<u> </u>
Grant Amortisation			
As at 1 April 2012	1,166,730	-	1,166,730
Charge for period	196,956	-	196,956
On disposals	(145,528)	-	(145,528)
	<u> </u>	<u> </u>	<u> </u>
As at 31 March 2013	1,218,158	-	1,218,158
	<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>
Net Book Value			
As at 31 March 2013	22,483,737	360,386	22,844,123
	<u> </u>	<u> </u>	<u> </u>

The additions in the year relate to the cost of components capitalised. Components with a cost of £610,823 have been disposed of in the year.

Properties with a cost of £29,221 have been disposed of in the year. Proceeds of £100,000 were received in respect of these sales.

Notes to the Financial Statements
For the year ended 31 March 2013

8. Tangible Fixed Assets: Other Fixed Assets	Office Property £	Machinery & Equipment £	Computer Equipment £	Furniture & Fittings £	Total £
Cost					
As at 1 April 2012	380,133	206,990	103,911	158,361	849,395
Additions	-	-	23,214	12,190	35,404
Disposals	-	-	(12,083)	-	(12,083)
As at 31 March 2013	<u>380,133</u>	<u>206,990</u>	<u>115,042</u>	<u>170,551</u>	<u>872,716</u>
Grants					
As at 1 April 2012	-	-	-	(53,272)	(53,272)
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 March 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,272)</u>	<u>(53,272)</u>
Depreciation					
As at 1 April 2012	(156,608)	(122,644)	(78,695)	(45,329)	(403,276)
Charge for period	(15,205)	(13,806)	(14,913)	(14,710)	(58,634)
On disposals	-	-	10,927	-	10,927
As at 31 March 2013	<u>(171,813)</u>	<u>(136,450)</u>	<u>(82,681)</u>	<u>(60,039)</u>	<u>(450,983)</u>
Net Book Value					
As at 31 March 2012	<u>223,525</u>	<u>84,346</u>	<u>25,216</u>	<u>59,760</u>	<u>392,847</u>
Net Book Value					
As at 31 March 2013	<u>208,320</u>	<u>70,540</u>	<u>32,361</u>	<u>57,240</u>	<u>368,461</u>

9. Housing Stock Numbers	2013 Units	2012 Units
General Needs Housing	1,481	1,484
Sheltered Housing	283	283
Community Projects Block	6	6
	<u>1,770</u>	<u>1,773</u>

10. Gain on Disposals of Fixed Assets	2013 £	2012 £
Gross proceeds from the disposal of fixed assets	100,000	60,000
Less: Cost of sales of fixed assets	(30,377)	(23,931)
Net gain on disposal of fixed assets	<u>69,623</u>	<u>36,069</u>

Notes to the Financial Statements
For the year ended 31 March 2013

11. Debtors: Amounts falling due within one year	2013	2012
	£	£
Arrears of rent	220,018	171,135
Less: Provision for bad debts	(100,210)	(107,366)
	<u>119,808</u>	<u>63,769</u>
Sundry debtors and prepayments	242,401	482,781
	<u>362,209</u>	<u>546,550</u>
12. Creditors: Amounts falling due within one year		
Prepaid rent	289,917	162,574
Trade creditors	306,477	255,760
Sundry creditors and accruals	1,147,025	1,099,076
Loan instalments due within one year (see note 14)	221,980	201,301
	<u>1,965,399</u>	<u>1,718,711</u>
13. Creditors: Amounts falling due after more than one year		
Housing Loans (see note 14)	<u>11,761,798</u>	<u>11,983,778</u>
14. Loans		
Loans due within one year	221,980	201,301
Loans due between 1 and 2 years	235,403	221,980
Loans due between 2 and 5 years	790,359	745,741
Loans due after 5 years	10,736,036	11,016,057
	<u>11,983,778</u>	<u>12,185,079</u>

The loans are secured by standard securities over the Association's properties. The amounts secured are £11,983,778 (2012 – £12,185,079), and are repayable at varying rates of interest in instalments over the next 30 years.

Notes to the Financial Statements
For the year ended 31 March 2013

15. Share Capital	2013 No	2012 No
Allotted, called up and fully paid Ordinary shares of £1 each		
At 1 April 2012	310	305
Issued during year	9	12
Cancelled shares	(66)	(7)
	<u>253</u>	<u>310</u>
At 31 March 2013	<u>253</u>	<u>310</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.

16. Designated Reserves	2013 £	2012 £
(a) Share capital reserve		
At 1 April 2012	382	382
Transfer from share capital	-	-
	<u>382</u>	<u>382</u>
At 31 March 2013	<u>382</u>	<u>382</u>
(b) Maintenance reserve		
At 1 April 2012	3,870,903	4,827,284
Transfer from/(to) revenue reserves	-	(956,381)
	<u>3,870,903</u>	<u>3,870,903</u>
At 31 March 2013	<u>3,870,903</u>	<u>3,870,903</u>
Total designated reserves	<u>3,871,285</u>	<u>3,871,285</u>

17. Reconciliation of Movement in Accumulated Surplus	2013 £	2012 £
Revenue reserves as at 1 April 2012	7,317,563	6,136,746
Surplus for the year	771,225	619,284
Transfer (to)/from maintenance reserves	-	956,381
Pension scheme gains/(losses) in year	120,936	(394,848)
	<u>8,209,724</u>	<u>7,317,563</u>
Revenue reserves as at 31 March 2013	<u>8,209,724</u>	<u>7,317,563</u>
Split as:		
Revenue reserve	9,736,453	8,903,173
Pension reserve	(1,526,729)	(1,585,610)
	<u>8,209,724</u>	<u>7,317,563</u>

Notes to the Financial Statements
For the year ended 31 March 2013

18. Staff Costs	2013 £	2012 £
Wages and salaries	995,301	982,394
Social security costs	78,042	75,715
Pension costs	128,531	125,357
	<u>1,201,874</u>	<u>1,183,466</u>
	No	No
The full time equivalent number of persons employed during the year was:	<u>41</u>	<u>39</u>
Split as:		
Admin	3	4
Finance	5	4
Housing	11	10
Technical	10	10
Sheltered	7	7
Supply	5	4
	<u>41</u>	<u>39</u>

Temporary staff costs of £81,245 (2012: £7,387) have been incurred in the year.

19. Officers' Emoluments

a) In accordance with the Determination of Accounting Requirements 2012 issued by the Scottish Housing Regulator, details of officers' total emoluments which exceed £60,000 (excluding pension contributions) are as follows:

	2013 £	2012 £
Officers' emoluments in excess of £60,000 (excluding pension contributions)	<u>72,287</u>	<u>70,870</u>
Emoluments payable to the Chief Executive (excluding pension contributions)	<u>72,287</u>	<u>70,870</u>

Pension contributions paid in respect of officers whose emoluments exceeded £60,000 during the period amounted to £12,296 (2012 - £12,389).

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

	2013	2012
£70,000 - £75,000	<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 £1,112 (2012 - £992).

Notes to the Financial Statements
For the year ended 31 March 2013

20. Taxation

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

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

	2013 £	2012 £
Operating surplus	1,397,631	1,299,061
Depreciation charge	1,402,228	1,256,436
Pension service costs	62,055	(19,762)
Cancelled shares	(66)	(7)
Decrease / (increase) in debtors	184,341	(24,196)
Increase / (decrease) in creditors	226,009	(161,421)
	<u>3,272,198</u>	<u>2,350,111</u>
Net cash inflow from operating activities	<u>3,272,198</u>	<u>2,350,111</u>

22. Analysis of the Management of Liquid Resources

	As at 1 April 2012 £	Movement in year £	As at 31 March 2013 £
Bank and cash balances	287,517	1,264,881	1,552,398
Funds held on deposit	2,807,766	(599,769)	2,207,997
	<u>3,095,283</u>	<u>665,112</u>	<u>3,760,395</u>

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

	2013 £	2012 £
Increase in cash in the period	665,112	133,530
Loans repaid	201,301	195,096
	<u>866,413</u>	<u>328,626</u>
Change in net debt	866,413	328,626
Net debt at 1 April 2012	(9,089,796)	(9,418,422)
	<u>(8,223,383)</u>	<u>(9,089,796)</u>
Net debt at 31 March 2013	<u>(8,223,383)</u>	<u>(9,089,796)</u>

24. Analysis of Changes in Net Debt

	As at 1 April 2012 £	Cash Flows £	Other Movements £	As at 31 March 2013 £
Cash at bank and in hand	3,095,283	665,112	-	3,760,395
Debt due within 1 year	(201,301)	-	(20,679)	(221,980)
Debt due after 1 year	(11,983,778)	-	221,980	(11,761,798)
	<u>(9,089,796)</u>	<u>665,112</u>	<u>201,301</u>	<u>(8,223,383)</u>

Notes to the Financial Statements
For the year ended 31 March 2013

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 £128,531 (2012 - £125,357).

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:

	2013	2012
RPI increases	3.3%	3.3%
CPI increases	2.5%	2.5%
Salary increases	4.7%	4.8%
Pension increases	2.5%	2.5%
Discount rate	4.3%	4.6%

The post retirement mortality tables adopted were S1PA tables with a 120% multiplier, making allowance for future improvement factors in line with the CMI 2011 projections, with a long term rate of 1% per annum.

The following details relate to 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)	Fund Value at 31 March 2013 £000	Long Term Return % per annum 2012	Fund Value at 31 March 2012 £000
Equities	3,318	7.1%	2,699
Gilts	327	3.3%	318
Bonds	514	4.6%	437
Property	421	4.3%	437
Cash	93	3.0%	79
Total	4,673	6.1%	3,970

The long term return figures for year ended 31 March 2013 are not yet available.

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	2013 £	2012 £
Estimated employer assets (A)	4,672,838	3,969,651
Present value of Scheme Liabilities (B)	(6,199,567)	(5,555,261)
Net funded liability (A) – (B)	(1,526,729)	(1,585,610)
Present value of Unfunded Liabilities	-	-
Unrecognised past service cost	-	-
Net liability in balance sheet	(1,526,729)	(1,585,610)

Notes to the Financial Statements
For the year ended 31 March 2013

25. Pensions (cont'd)

Analysis of the amount charged to operating profit

	2013 £	2012 £
Service cost	178,454	141,227
Contributions by scheme participants	(125,472)	(123,668)
	<u>52,982</u>	<u>17,559</u>
Total operating charge (A)	<u>52,982</u>	<u>17,559</u>
Expected Return on Employer Assets	(244,335)	(300,479)
Interest on Pension Scheme Liabilities	253,408	263,158
	<u>9,073</u>	<u>(37,321)</u>
Net Return (B)	<u>9,073</u>	<u>(37,321)</u>
Net Revenue Account Cost (A)+(B)	<u>62,055</u>	<u>(19,762)</u>

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

	Year to 31 March 2013 £	Year to 31 March 2012 £
Actual return less expected return on pension scheme assets	427,205	(283,851)
Experience gains and losses arising on the scheme liabilities	-	567,567
Changes in financial assumptions underlying the present value of scheme liabilities	(306,269)	(678,564)
	<u>120,936</u>	<u>(394,848)</u>
Actuarial gain / (loss) recognised in STRGL	<u>120,936</u>	<u>(394,848)</u>

Notes to the Financial Statements
For the year ended 31 March 2013

25. Pensions (cont'd)

Movement in pension deficit during the year

	Year to 31 March 2013 £	Year to 31 March 2012 £
(Deficit) in scheme at beginning of year	(1,585,610)	(1,210,524)
Current service cost	(178,454)	(141,227)
Employer contributions	125,472	123,668
Net return on assets	(9,073)	37,321
Actuarial gains/(losses)	120,936	(394,848)
	<u>(1,526,729)</u>	<u>(1,585,610)</u>

History of experience gains and losses

	Year to 31 March 2013 £	Year to 31 March 2012 £
Difference between expected and actual return on assets	427,205	(283,851)
Value of assets	4,672,838	3,969,651
Percentage of assets	9.1%	(0.1%)
Experience gains/(losses) on liabilities	-	286,785
Actuarial gains/(losses) recognised in STRGL	120,936	(394,848)
Present Value of Liabilities	6,199,567	5,555,261
Percentage of the present value of liabilities	0.0%	5.2%

The expected employer contributions to 31 March 2014 are £121,371.

The cumulative amount of actuarial losses taken to the Statement of Recognised Surpluses and Deficits since the liability was incorporated into the financial statements was £1.1m.

26. Capital Commitments

	2013 £	2012 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	<u>3,900,885</u>	<u>-</u>
This is to be funded by:		
HAG	-	-
Private Finance	<u>3,900,885</u>	<u>-</u>
	<u>3,900,885</u>	<u>-</u>
Capital expenditure that has been approved but not Contracted for	<u>2,670,126</u>	<u>-</u>

27. Legislative Provisions

The Association is incorporated under the Industrial and Provident Societies Act 1965.