ANGUS HOUSING ASSOCIATION LIMITED

REPORT AND ACCOUNTS

31st March 2013

Registered No. 1665R(S)
Scottish Charity No. SC020981
The Scottish Housing Regulator No. HAL65

REPORT AND FINANCIAL STATEMENTS
For the period ended 31st March 2013

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MEMBERS OF COMMITTEE OF MANAGEMENT

Cllr S Welsh	(Chairman)
R B H Young MBE	(Vice Chairman)
C MacDougall	(Treasurer)
Mrs E M G Whitson	(Secretary)
Ms H Farquhar	
R Fraser	
A Gibson	
A Jack	
J Nicoll	
J Ogg	
J Scott	(retired June 2012)
R Wright	
I Laird	(casual vacancy August 2012)
W Gibson	(casual vacancy September 2012)
R Colquhoun	(casual vacancy January 2013)

SECRETARY AND REGISTERED OFFICE

Mrs E M G Whitson, 93 High Street, Arbroath, DD11 1DP

SOLICITOR

Thorntons Law LLP, Whitehall House, 33 Yeaman Street, Dundee

BANKERS

The Royal Bank of Scotland plc, Brothock Bridge, Arbroath

AUDITORS

Findlay & Company, 11 Dudhope Terrace, Dundee

CHAIRMAN'S STATEMENT

This is my first Report to the members and tenants of Angus Housing Association since being elected as Chairman in August 2012.

When I have read the Reports of my predecessors, they have invariably contained glowing reports of lots of new housing developments that the Association has built in the previous year.

Unfortunately, my first Report to you contains only the rather stark reminder of the depressing economic times that we live in as I can only report on one development of four houses being built in Financial Year 2012/13.

More worryingly, this seems to be a reflection of the situation in the general construction sector, and house building in particular, throughout Scotland.

The total number of new houses built in Scotland in 2012 was less than 15,000, the lowest since the post war, all time low of 12,149 in 1947 and lower than the low point reached in the Great Depression when completions were 17,544 in 1932.

Most worrying of all, however, is the news that 2012 saw an 18% slump in new starts in the social housing sector. To those involved in Housing Associations, this comes as no surprise as this has been predicted since the introduction by the Scottish Government of unrealistically low, indicative subsidy levels.

More encouraging is the news of Housing Minister, Margaret Burgess, setting up a short life working group to examine ways in which the sector can be stimulated.

For Angus Housing Association in 2013/14, any changes are likely, however, to be too late as we do not anticipate starting any new homes this year. For those growing numbers on housing waiting lists, we can only hope for a positive boost to housing investment in the near future.

Away from our reduced development activity, 2012/13 has been a very productive year.

A surplus of £ 861,748 was generated while at the same time, £1,255,066 of capital investment was made in the existing housing stock and a 5 Year Improvement Programme was agreed to both ensure full SHQS Compliance by 2015 and ongoing improvements to our housing stock for tenants.

Performance by staff in collecting rents, managing voids and carrying out repairs continued to be impressive with all aspects of our service delivery continuing to meet very high standards.

Delivering quality services does, however, depend on our ability to generate income from the rents our tenants pay. The biggest threat, therefore, on our horizon is the Westminster Coalition Government's Welfare Reform Agenda, the first aspects of which have now been introduced.

Inevitably, cuts to the incomes of the nearly 50% of our tenants who rely on Housing Benefit to assist with their housing costs, will result in problems for our Cashflow. Our other tenants have also been squeezed in recent years through wage freezes and disproportionate increases in certain aspects of daily living such as food and heating costs.

These are undoubtedly hard times but it seems somewhat ironic that those on the lowest incomes are having to suffer more to resolve our economic difficulties.

As these cuts hit harder in coming years, Angus Housing Association will work towards helping our tenants cope by providing as much advice and assistance as we can offer.

In conclusion, I want to thank all of my fellow Committee Members for their support during my first year as Chairman, all of the Staff for their hard work and commitment and all of the tenants who work with us either through their Tenant's Group or the Tenant's Forum.

Angus Housing Association has always been about a Team effort and the mutual respect that the various contributors to our work have for each other.

I have seen this first hand in my first year as Chairman and I hope that I can continue to contribute to maintaining this philosophy in the difficult years we face ahead of us.

SHEENA WELSH
CHAIRMAN

REPORT OF THE COMMITTEE OF MANAGEMENT

Report by the Committee of Management to the Twenty Fourth Annual General Meeting of the amalgamated Angus Housing Association Limited to be held at The Square, Ormiston Crescent, Dundee on the Wednesday 26th June 2013 at 9.30am.

The Committee submit to the Meeting their Twenty Fourth Annual Report and Statement of Accounts duly audited for the year ended 31st March 2013.

OBJECTIVES AND STRUCTURE

The Association's broad objective is to contribute to providing high quality, affordable housing for all those individuals, families and communities in Angus and Dundee who are in need of the fundamental human right of a decent, secure home to call their own.

The Association aims to achieve this objective by providing good quality homes for rent and shared ownership at an affordable cost to our tenants, ensuring the criteria we use to control access to our houses is based solely on the housing needs of applicants and providing an efficient, responsive and personal housing management and maintenance service of the highest possible quality.

The Association's Committee now comprises twelve Registered members and has two sub-committees, which deal with service delivery and finance & audit. The committees are made up of specialist consultants from relevant differing professions with a variety of skills. The Committee of Management meets eight times per annum, whilst the sub-committees meet at least four times per annum.

The Committee of Management receives reports from the sub-committees, receives information on current developments in progress and also on possible future sites, considers budgets and management accounts, all policy matters and other relevant business. The day to day management of the Association is delegated to the Director and the Management Team.

REVIEW OF THE YEAR

The Association's results for the year show a surplus of £ 861,748 (2012 £249,752). A total of £2,152,169 has been spent on Major and Planned Repairs, of which £ 897,103 has been charged to the Income & Expenditure Account. Over the course of the year the Association made £50 in charitable donations.

The Association has continued to develop new housing on a small scale during the year, with 4 units at Benedict Road nearing completion at the year end.

The Balance Sheet shows a net asset position of £5,805,610 (2012 £4,943,870).

ELECTION OF COMMITTEE OF MANAGEMENT

In terms of the Rules of the Association Mr C MacDougall, Mr A Gibson, Mr F Jack, Mr J Ogg, Members of the Committee of Management retire from office at this time and offer themselves for re-election with the exception of Mr J Ogg. Members filling casual vacancies during the year, Mr I Laird, Mr W Gibson and Mr R Colquhoun, are required to stand down at the AGM, and offer themselves for re-election..

REPORT OF THE COMMITTEE OF MANAGEMENT

STATEMENT OF COMMITTEE MEMBERS' RESPONSIBILITIES

Industrial and Provident Society and Registered Housing Association Law requires the Committee Members to prepare Accounts for each financial period which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those Accounts, the Committee Members are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Committee Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Accounts comply with the Industrial and Provident Societies Acts, the Housing (Scotland) Act 2010, the Accounting Determination 2012, and the Statement of Recommended Practice: Accounting by Registered Social Landlords 2010 issued by the Accounting Standards Board. They are 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.

INTERNAL CONTROL

The Committee of Management is responsible for the Association's system of internal financial control.

The approach adopted by the Committee of Management to provide effective financial control can be summarised as follows:

a. An appropriate control environment has been created by careful recruitment and training of both Committee and Staff and provision of comprehensive guidance on the standards and controls to be applied throughout the Association.

b. Management information systems have been developed to provide accurate and timeous data on all aspects of the business. Management Accounts comparing actual results against budget are presented to the Committee of Management or relevant Sub Committee regularly.

c. Major business risks and their financial implications are assessed systemically by reference to established criteria.

d. The financial implications of major business risks are controlled by means of delegated authorities which reserve significant matters to the Committee of Management or relevant Sub Committee for decision, segregation of duties in appropriate areas and physical controls over assets and access to records.

e. The Committee of Management monitors the operation of the internal financial control system by considering regular reports from management and the external and internal auditors and ensures appropriate corrective action is taken to address any reported weaknesses.

REPORT OF THE COMMITTEE OF MANAGEMENT

INTERNAL CONTROL (Cont'd)

The Committee of Management confirms that it has reviewed the effectiveness of the Association's system of internal financial control as it operated during the year for the year ended 31 March 2013 and up until 26th June 2013. Such a system can provide only reasonable and not absolute assurance against material misstatement or loss.

In so far as the Committee are aware:

- there is no relevant audit information (information needed by the association's auditors in connection with preparing their report) of which the association's auditors are unaware, and
- the Committee members have taken all the steps that they ought to have to taken to make themselves aware of the relevant audit information and to establish that the association's auditors are aware of that information.

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.

Cllr Sheena Welsh is a councillor with Angus Council who sit on the Committee of Management, the committee can confirm that all transactions with Angus Council are made on normal commercial terms and councillors cannot use their position to any advantage.

RE-ELECTION OF AUDITORS

A resolution to re-appoint Findlay & Company as auditors will be submitted at the Annual General Meeting.

By Order of the Committee

Elizabeth M G Watson

Secretary to the Committee of Management

INDEPENDENT AUDITORS' REPORT
to the Members of Angus Housing Association Limited

We have audited the financial statements of Angus Housing Association Limited for the year ended 31 March 2013 which comprise income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 auditors' 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 board and the auditor

As explained more fully in the Statement of Board's Responsibilities set out on page 5, the Committee of Management is responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Committee of Management; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Committee of Management 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; and
- have been properly prepared in accordance with the Industrial and Provident Societies Acts, 1965 to 2002, Part 6 of the Housing (Scotland) Act 2010, and the Accounting Determination 2012.

INDEPENDENT AUDITORS' REPORT
to the Members of Angus 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.

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ALEXANDER SQUIRES CA (SENIOR STATUTORY AUDITOR)
For and on behalf of
FINDLAY & COMPANY
CHARTERED ACCOUNTANTS AND STATUTORY AUDITORS
11 DUDHOPE TERRACE
DUNDEE
DD3 6TS

Date: 26 June 2013

REPORT BY THE AUDITORS ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the financial statements, we have reviewed the committee's statement on internal controls set out on page 6. The object of our review is to draw attention to any non-compliance with the section on Internal Financial Control within the Scottish Federation of Housing Association (SFHA) publication "Raising Standards in Housing".

We carried out our review in accordance with guidance issued by the Auditing Practices Board. The guidance does not require us to perform the additional work necessary to, and we do not express any opinion on the effectiveness of either the Associations system of internal financial control or its corporate governance procedures.

With respect to the committee's statements on internal control on page 6, in our opinion the committee has provided the disclosures required under the section on Internal Financial Control within the SFHA publication "Raising Standards in Housing" referred to above and such statements are not inconsistent with the information of which we are aware from our audit work on the financial statements.

Based on enquiry of certain committee members and officers of the Association and examination of relevant documents, in our opinion the committee's statement on page 6 appropriately reflects the Associations compliance with the section on Internal Financial Control within the SFHA publication "Raising Standards in Housing" specified for our review.

ALEXANDER SQUIRES CA (SENIOR STATUTORY AUDITOR)
For and on behalf of
FINDLAY & COMPANY
CHARTERED ACCOUNTANTS AND STATUTORY AUDITORS
11 DUDHOPE TERRACE
DUNDEE
DD3 6TS

Date: 26 June 2013

INCOME AND EXPENDITURE ACCOUNT
For the year ended 31st March 2013

	Notes	2013	2012
		£	£
TURNOVER	2	6,632,808	6,392,689
Operating costs	2	(4,437,038)	(4,779,877)
OPERATING SURPLUS/(DEFICIT)		2,195,770	1,612,812
Profit/(loss) on Sale of Fixed Assets	5	5,730	21,165
Interest receivable and other income		34,589	33,026
Interest payable and similar charges		(1,374,341)	(1,417,251)
SURPLUS/(DEFICIT) FOR YEAR		861,748	249,752

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	2013	2012
		£	£
SURPLUS/(DEFICIT) FOR YEAR		861,748	249,752
Prior Year Adjustment	23	NIL	1,660,464
TOTAL SURPLUSES AND DEFICITS RECOGNISED SINCE THE LAST REPORTING PERIOD		861,748	1,910,216

BALANCE SHEET
At 31st March 2013

	Notes	2013	2012
		£	£
FIXED ASSETS			
Housing properties	7a	87,765,159	87,700,429
Less: Housing Association Grant		(56,066,019)	(55,877,899)
Other Grants		(462,064)	(462,064)
		31,237,076	31,360,466
Fixed Asset Investment	7b	1	1
Other	7c	430,939	445,353
		31,668,016	31,805,820
CURRENT ASSETS			
Debtors	8	465,913	486,873
Cash & Deposits	17	1,986,428	1,943,731
Property Held for Sale	9	3,630	3,630
Stock of Maintenance Supplies	10	10,493	10,930
		2,466,464	2,445,164
CREDITORS: amounts falling due within one year	11	(1,557,852)	(1,489,557)
NET CURRENT ASSETS		908,612	955,607
TOTAL ASSETS LESS CURRENT LIABILITIES		32,576,628	32,761,427
CREDITORS: amounts falling due after more than one year	12	(26,771,018)	(27,817,557)
		5,805,610	4,943,870
CAPITAL AND RESERVES			
Share Capital	13	63	71
Revenue reserve	14	5,805,547	4,943,799
		5,805,610	4,943,870

The financial statements on pages 11 to 29 were approved by the Committee of Management on 12th June 2013 and were signed on its behalf by:

Shona M. Welsh. Chairman of Committee of Management

Treasurer

Elizabeth MG Johnston Secretary to Committee of Management

The notes on pages 14 to 29 form part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 31st March 2013

	Notes	2013	2012
		£	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	16	3,468,167	2,333,219
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		34,589	17,516
Interest paid		(1,374,341)	(1,417,252)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(1,339,752)	(1,399,736)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Acquisition and construction of housing properties		(1,300,427)	(1,742,145)
Purchase of other tangible fixed assets		(16,786)	(5,901)
Receipts from sale of housing properties (Right to Buy)		19,500	(108)
Receipts/(Costs) of shared ownership properties sales		Nil	36,720
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(1,297,713)	(1,711,434)
MANAGEMENT OF LIQUID RESOURCES			
Transfer (to)/from short term deposits		(257,500)	(150,000)
FINANCING			
Share capital issued		2	2
Capital grants received		188,121	724,918
Capital grants repaid		Nil	Nil
Housing loans received		Nil	400,000
Housing loans repaid		(976,128)	(965,328)
NET CASH OUTFLOW FROM FINANCING		(788,005)	159,592
INCREASE/(DECREASE) IN CASH	18	(214,803)	(768,359)

The notes on pages 14 to 29 form part of these financial statements.

NOTES TO THE ACCOUNTS
At 31st March 2013

1. ACCOUNTING POLICIES

Accounting basis
These accounts have been prepared under the historical cost convention and in accordance with the Accounting Determination 2012 and the Statement of Recommended Practice: Registered Social Housing Providers Update (SORP) 2010 issued by the Accounting Standards Board and applicable financial reporting standards.

Fixed assets – housing land and buildings
Housing properties are stated at cost. The development costs of housing properties includes the following:

i. Cost of acquiring land and buildings;
ii. Development expenditure;
iii. Capital acquisition and development administration costs
iv. Capital clerk of works costs

Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

The proceeds arising from first tranche "sales" of Housing Association Grant funded shared ownership properties are recorded through the Income & Expenditure Account, with any subsequent sales treated as a disposal of fixed assets.

In accordance with the SORP, where a housing property comprises two or more major components with substantially different useful economic lives, each component has been accounted for separately and depreciated over its useful life. The following components have been identified:

Component		Useful Economic Life
Land		Not Applicable
Main Structure		90 Years
Roof		50 Years
Windows & Doors		50 Years
Guttering/Woodwork		25 Years
External Fencing		25 Years
Heating System	Gas	20 Years
	Electric	15 Years
Kitchen		15 Years
Bathroom		20 Years
Electrical Installation		10 Years

The Association will capitalise the replacement of these components in line with its Lifecycle Replacement Programme. One off main component replacements will not be capitalised unless the replacement is within a timeframe which means that the component will not be replaced again at the next scheduled cycle.

Depreciation
Depreciation is provided for at rates calculated to write off the cost of each asset evenly over its expected useful life as shown above except for the following:

Housing properties (shared ownership)	- over 50 years
Office building	- over 50 years
Computer and office equipment	- over 4 years
Office and Furnished Flat Furnishings	- over 4 years

As useful lives of some assets are in excess of 50 years, FRS 11 requires an annual impairment review to be carried out. This has been done, and no impairment has been noted.

NOTES TO THE ACCOUNTS
At 31st March 2013

1. ACCOUNTING POLICIES (continued)

Grants
Housing Association Grants (HAG) received from ministers of the Scottish Government in respect of capital expenditure of approved schemes are deducted from the costs of acquisition of the assets. The HAG obtained will be allocated to the land costs in full with the remaining Hag allocated against structure. This may create negative Net Book Values for some structures and accordingly negative depreciation annually will be applied to bring the Net Book Value back to zero. Revenue grants are credited to income in the period to which they relate.

The Association has also received a National Lotteries Charities Board Grant in order to build the Sheltered Housing Lounge at Russell Square, Arbroath. This is a restricted fund and has been shown separately in the Fixed Asset note 7. There maybe circumstances where grants received may be repayable.

Homestake
Grants are received from ministers of the Scottish Government for the purchase of properties under the Homestake scheme. The element of the property not owned by the Homestake owner will be accounted for as a Fixed Asset Investment. The cost is offset by a grant of the same amount. The unsold element of the most recent Homestake properties remain in the name of the Scottish Government therefore they are not recognised in the Association's Balance Sheet. The proceeds and costs of the sold elements have been expensed through the Income and Expenditure Account and are detailed in Note 4.

Subsidiary
The subsidiary Musselcrag Limited is a dormant company as at 31st March 2013 and accordingly the Association has not prepared consolidated statements.

Supporting People Funding
The Association receives Supporting People funding to fund the majority of the Sheltered Housing Service. The income and expenditure for this service is shown separately with Other Activities in Note 4.

Furnished Property Provision
A provision is made for each of the Association's furnished properties at a rate which will allow the furnishings to be fully replaced on a 4 year cycle. This provision is released to cover the depreciation charge of the properties.

Lead Tenancies Major Repair Provision
A provision is made for each lead tenancy property at a rate which has been agreed as part of the Lease Agreement with the Owner of the Property. This provision is released to cover major repairs to these properties when they take place. At the end of the lease any monies left in the provision would be re-payable to the Owner.

Operating Leases
Rental applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Income and Expenditure Account on a straight line basis over the term of the lease.

Pensions
The Association participates in a pension scheme providing benefits based on final pensionable salary. Contributions are charged to the income and expenditure account so as to spread the cost of pensions over the employees working lives with the Association.

Prior Year Adjustment
The adoption of component accounting during the financial year ended 31 March 2012 represented a change in accounting policy. Previously the major components of the Association's housing properties were deemed to be land and buildings. The major components are now deemed to be those as listed in page 14. Each component has a substantially different economic life and is depreciated over this individual life. The new accounting policy is compliant with the updated SORP 2010. For further detail on the prior year adjustment see Note 23.

NOTES TO THE ACCOUNTS
At 31st March 2013

2 PARTICULARS OF TURNOVER,OPERATING COSTS AND OPERATING SURPLUS

	Turnover	Operating Costs	2013 Operating Surplus/ (Deficit)	2012 Operating Surplus/ (Deficit)
	£	£	£	£
Income & Expenditure From Lettings	6,423,124	4,204,748	2,218,376	1,589,910
Other Activities	209,684	232,290	(22,606)	22,902
TOTAL	6,632,808	4,437,038	2,195,770	1,612,812
Total for 2012	6,392,689	4,779,877		

3 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICT FROM SOCIAL LETTING ACTIVITIES

	General Needs Housing	Sheltered Housing	Shared Ownership	2013 Total	2012 Total
	£	£	£	£	£
Rent Receivable net of Service Charges	6,014,514	256,476	13,328	6,284,318	5,924,968
Service Charges Receivable	158,884	32,668	444	191,996	176,270
Gross Rent Receivable	6,173,398	289,144	13,772	6,476,314	6,101,238
LESS: Rent Losses from Voids	(51,699)	(1,491)	Nil	(53,190)	(59,642)
Net Income from Rents and Service Charges	6,121,699	287,653	13,772	6,423,124	6,041,596
Management	1,384,448	44,445	9,624	1,438,517	1,723,778
Services	154,865	20,172	Nil	175,037	155,041
Planned and Cyclical Maintenance	679,834	32,986	Nil	712,820	837,922
Reactive Maintenance	651,834	26,770	Nil	678,604	559,482
Rent Losses from Bad Debts	46,874	76	Nil	46,950	60,081
Depreciation of Social Housing	1,106,635	44,550	1,635	1,152,820	1,115,382
Total Operating Costs	4,024,490	168,999	11,259	4,204,748	4,451,686
Operating Surplus/(Deficit)	2,097,209	118,654	2,513	2,218,376	1,589,910
Operating Surplus/(Deficit) for 2012	1,620,230	(30,737)	417		

Note: There were no grants from Scottish Ministers or other revenue grants.
All Major Repair costs not capitalised are included in Planned and Cyclical Maintenance.
There was no impairment of social housing.

NOTES TO THE ACCOUNTS
At 31st March 2013

3 PARTICULARS OF INCOME AND EXPENDITURE FROM LETTINGS (continued)

The number of units of housing under development and in management at 31st March 2013 was:

Housing accommodation for letting	Units under Development 2013	2012	Units in Management 2013	2012
New build – Shared Ownership	Nil	Nil	8	8
New build – Rented	4	4	1264	1260
Rehabilitation – Rented	Nil	Nil	409	409
Rehabilitation – Sheltered	Nil	Nil	88	92
	4	4	1769	1769

4 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITES.

	Grants from Scottish Ministers £	Supporting People Income £	Other Income £	Total Turnover £	Operating Costs-Bad Debts £	Other Operating Costs £	2013 Operating Surplus/ (Deficit) £	2012 Operating Surplus/ (Deficit) £
Non RTB Property Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	51,258
Wider Role Activities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Development & Construction of Properties	Nil	Nil	Nil	Nil	Nil	48,832	(48,832)	(11,780)
Grant Funded Disabled Adaptations	49,541	Nil	Nil	49,541	Nil	49,541	Nil	Nil
Supporting People	Nil	86,192	Nil	86,192	Nil	96,063	(9,871)	(15,644)
Factoring	Nil	Nil	73,951	73,951	2,410	35,444	36,097	(932)
TOTAL	49,541	86,192	73,951	209,684	2,410	229,880	(22,606)	22,902
Total 2012	84,927	86,192	179,974	351,093	2,410	325,781	22,902	

Note: There were no other revenue grants received for the above activities.
The following operating costs are not applicable for the year ended 31st March 2013:

- Care & Repair of Property
- Care Activities
- Agency/Management Services for Registered Social Landlords
- Other Agency/Management Services
- Development for Sale to Registered Social Landlords
- Development and Improvement for Sale to Non Registered Social Landlords
- Homestake
- Other Activities.

NOTES TO THE ACCOUNTS
At 31st March 2013

5 GAIN/(LOSS) ON SALE OF FIXED ASSET

	Shared Ownership Properties	Other Properties	2013 Total	2012
	£	£	£	£
Proceeds	Nil	19,500	19,500	37,932
Cost of Disposal	Nil	(13,770)	(13,770)	(16,767)
Gain/(Loss)	Nil	5,730	5,730	21,165

6 SURPLUS/(DEFICIT) FOR THE YEAR

a) This is stated after charging:

	2013	2012
	£	£
Auditors' remuneration (including VAT) - external audit	11,460	9,420
- other services	7,620	0
- internal audit	10,908	10,206
Donations to Local Charities	50	500
Operating Leases	35,259	39,120
(Gain)/loss on disposal of fixed assets	5,730	21,165
Depreciation	1,184,020	1,142,449

At the year-end there were 34.42 full time equivalent employees (2012: 32.42). Staff costs during the year amounted to:

	2013	2012
	£	£
Wages and Salaries	1,010,683	1,093,213
National insurance	83,989	83,695
Pensions(Including Pension Deficit contributions of £121,596)	195,663	189,417
	1,290,335	1,366,325

	2013	2012
The average number of persons directly employed by the Association during the year was	No. 39	No. 41

b) Officers' emoluments

	2013	2012
	£	£
The total emoluments (excluding pension contributions) of the Director, who was also the highest paid Officer, amounted to:	73,757	71,836

The Director is the only employee whose emoluments (excluding pension contributions) exceeded £60,000. The Director is an ordinary member of the Association's Pension Scheme. No enhanced or special terms apply to membership and he has no other pension arrangements to which the Association contributes. The Association contributions for the Director, the highest paid officer, in the year amounted to £ 13,665 (2012 £ 13,526). Included in this year's figure is £7,941 in respect of pension deficit contributions.

The emoluments (including pension contributions but excluding redundancy payments) of the Officers were in the following ranges:

	No.	No.
£ 60,000 - £ 70,000	2	2
£ 70,001 - £ 80,000	-	1
£ 80,001 - £ 90,000	1	-
	3	3

NOTES TO THE ACCOUNTS
At 31st March 2013

7 TANGIBLE FIXED ASSETS

a) Housing properties Cost:	Wholly Owned Completed £	Wholly Owned in Course of Construction £	Shared Ownership Completed £	Total £
At 1st April 2012	99,224,746	46,150	255,496	99,526,392
Additions during year	962,079	292,987	Nil	1,255,066
Transfer to Current Assets	Nil	Nil	Nil	Nil
Transfer	Nil	Nil	Nil	Nil
Disposals in year	(245,129)	Nil	Nil	(245,129)
At 31 March 2013	99,941,696	339,137	255,496	100,536,329
Depreciation:				
At 1st April 2012	11,801,578	Nil	24,385	11,825,963
Additions during year	Nil	Nil	Nil	Nil
Disposals in year	(143,504)	Nil	Nil	(143,504)
Charge for year	1,087,075	Nil	1,636	1,088,711
At 31st March 2013	12,745,149	Nil	26,021	12,771,170
Housing Association Grant:				
At 1st April 2012	55,643,320	46,150	188,429	55,877,899
Additions during year	85,817	135,850	Nil	221,667
Transfer to Current Assets	Nil	Nil	Nil	Nil
Transfers	Nil	Nil	Nil	Nil
Repaid during year	(33,547)	Nil	Nil	(33,547)
At 31st March 2013	55,695,590	182,000	188,429	56,066,019
Other Grants:				
At 1st April 2012	462,064	Nil	Nil	462,064
Transfers	Nil	Nil	Nil	Nil
Additions in Year	Nil	Nil	Nil	Nil
At 31st March 2013	462,064	Nil	Nil	462,064
Net book value:				
At 31st March 2013	31,038,893	157,137	41,046	31,237,076
At 31st March 2012	31,317,784	Nil	42,682	31,360,466

Total works carried out on housing properties for the year ended 31st March 2013 was £2,152,169 (2012- £1,536,631). Of this total £1,255,066 (2012 - £698,709) was capitalised above and £897,103 (2012 - £837,922) was expensed in the income and expenditure statement in line with recommended practice.

NOTES TO THE ACCOUNTS
At 31st March 2013

7 TANGIBLE FIXED ASSETS
(continued)

b) Fixed Asset Investments	Homestake	Subsidiary	Total
Cost:	£	£	£
As 1st April 2012	216,867	1	216,867
Additions during the year	Nil	Nil	Nil
As at 31st March 2013	216,867	1	216,867
Grant:			
As 1st April 2012	216,867	Nil	216,867
Additions during the year	Nil	Nil	Nil
As at 31st March 2013	216,867	Nil	216,867
Net book value At 31st March 2013	Nil	1	1

The wholly owned subsidiary Musselcrag Limited was dormant throughout the financial year.

c) Other

	Furnished Property Contents	Office & Lounges	Computer Equipment	Office Equipment	Total
Cost:	£	£	£	£	£
At 1st April 2012	19,733	1,058,335	114,729	208,166	1,400,963
Additions during year	Nil	Nil	14,060	2,726	16,786
Disposals during year	(14,967)	Nil	(18,004)	(641)	(33,612)
At 31st March 2013	4,766	1,058,335	110,785	210,251	1,384,137
HAG					
At 1st April 2012	4,947	229,685	Nil	Nil	234,632
Disposals during year	(4,041)	Nil	Nil	Nil	(4,041)
At 31st March 2013	906	229,685	Nil	Nil	230,591
National Lottery Grant					
At 1st April 2012	Nil	257,000	Nil	Nil	257,000
Additions during year	Nil	Nil	Nil	Nil	Nil
At 31st March 2013	Nil	257,000	Nil	Nil	257,000
Depreciation:					
At 1st April 2012	14,047	164,913	91,070	193,948	463,978
Disposals during year	(10,187)	Nil	(18,004)	(642)	(28,833)
Provided during year	Nil	11,433	13,423	5,606	30,462
At 31st March 2013	3,860	176,346	86,489	198,912	465,607
Net book value:					
At 31st March 2013	Nil	395,304	24,296	11,339	430,939
At 31st March 2012	739	406,737	23,659	14,218	445,353

NOTES TO THE ACCOUNTS
At 31st March 2013

8 DEBTORS

	2013	2012
Amounts falling due within one year:	£	£
HAG receivable	Nil	27,859
Rental debtors	143,031	146,867
Recharge Account Debtors	128,392	122,652
Other debtors	144,318	126,967
Prepayment and accrued income	50,172	62,528
	465,913	486,873

The Rental and Recharge Debtors figures shown above are net of the current Provision for Bad Debts of £ 73,444 (2012:£68,281). The provision has been increased to ensure that 50% of the outstanding Ex-Tenant Rent and 100% of the Ex-Tenant Recharge Balances were provided for. £17,850 of the provision has been deducted from the Rental Debtors with the remaining £55,594 deducted from the Recharge Account Debtors.

9 PROPERTY HELD FOR SALE

	Cost	HAG	Net Book Value
	£	£	£
As at 1st April 2012	183,658	180,028	3,630
Transfer from Housing Properties	NIL	NIL	NIL
At 31st March 2013	183,658	180,028	3,630

10 STOCK OF MAINTENANCE SUPPLIES

	2013	2012
	£	£
Stock of Various Items of Ironmongery	10,493	10,930

The stock has been valued at the lower of cost and net realisable value.

11 CREDITORS: amounts falling due within one year

	2013	2012
	£	£
Loans (note 12)	740,065	669,653
Trade creditors	499,724	504,300
HAG Repayable	Nil	69,544
Lead Tenancies Major Repairs Provisions	70,903	56,375
Furnishings Provisions	54,224	52,950
Rent in advance	149,134	110,733
Other creditors	43,802	26,002
	1,557,852	1,489,557

NOTES TO THE ACCOUNTS
At 31st March 2013

12 CREDITORS: amounts falling due after more than one year

Housing property loans are secured by specific charges on the Association's properties and are repayable at varying rates of interest in instalments due as follows:

	2013	2012
	£	£
Within one year	740,065	669,653
Between one and two years	772,682	704,047
Between two year and five years	2,514,674	2,326,777
After five years	23,483,662	24,786,733
	27,511,083	28,487,210
Included in creditors: amounts falling due within one year	(740,065)	(669,653)
	26,771,018	27,817,557
Analysis of changes in loan financing during the year:		
At 1st April 2012	28,487,210	29,052,538
New loans taken out	Nil	400,000
Amounts repaid	(976,127)	(965,328)
At 31st March 2013	27,511,083	28,487,210

Derivatives - The Association is not permitted to enter into speculative transactions with financial instruments. The Association follows the guidance set out by the Scottish Housing Regulator. Any financial instrument entered into by the Association is covered by an underlying loan. As part of its Treasury Management Policy the Association uses financial derivatives to achieve interest rate certainty. At 31st March 2013 the Association has two interest rate SWAPs as follows:-

Institution	Notional Amount	Rate	Start	End
Clydesdale Bank plc	£3.1 million	2.23%	21/02/02	21/02/22
Royal Bank of Scotland plc	£9.3 million	5.70%	04/11/02	04/02/22

13 SHARE CAPITAL

	2013	2012
Shares of £1 each	£	£
At 1st April 2012	71	73
Issued	2	2
Cancelled	(10)	(4)
At 31st March 2013	63	71

NOTES TO THE ACCOUNTS
At 31st March 2013

14 REVENUE RESERVE

	2013	2012
	£	£
At 1st April 2012	4,943,799	4,694,047
Surplus/(deficit) for the Year	861,748	249,752
At 31st March 2013	5,805,547	4,943,799

15 RECONCILIATION OF FUNDS

	2013	2012
	£	£
Total recognised gains and losses	861,748	249,752
Decrease in share capital	(8)	(2)
Total movement during the year	861,740	249,750
Funds at 1st April 2012	4,943,870	4,694,120
Funds at 31st March 2013	5,805,610	4,943,870

16 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Operating surplus/(deficit) for year	2,195,770	1,612,812
Net Depreciation charge	1,184,020	1,142,449
Share capital surrendered	(10)	(4)
Decrease/(increase) in debtors	20,960	39,997
Increase/(decrease) in creditors	67,427	(462,035)
	3,468,167	2,333,219

17 ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2012	Cashflows	At 31 March 2013
	£		£
Cash at Bank and in Hand	543,731	(214,803)	328,928
Short Term Deposits	1,400,000	257,500	1,657,500
	1,943,731	42,697	1,986,428
Debt Due within one year	(669,653)	(70,412)	(740,065)
Debt Due after one year	(27,817,557)	1,046,539	(26,771,018)
Total	(26,543,479)	1,018,824	(25,524,655)

NOTES TO THE ACCOUNTS
At 31st March 2013

18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2013	2012
	£	£
Increase/(Decrease) in cash in the year	(214,803)	(768,359)
Increase/(Decrease) in Short term deposits in the year	257,500	150,000
	42,697	(618,359)
Cash Inflow from increase in net debt	976,127	565,328
	1,018,824	(53,031)
Net Debt at 1st April 2012	(26,543,479)	(26,490,448)
Net Debt at 31st March 2013	(25,524,655)	(26,543,479)

19 PENSION SCHEME

Angus Housing Association Limited participates in the Scottish Housing Associations' Pension Scheme ('the Scheme'). The Scheme is funded and is contracted-out of the State Pension scheme. The plan is a multi-employer defined benefit scheme.

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join. The Scheme offers five benefit structures to employers, namely:

- Final salary with a 1/60th accrual rate.
- Career average revalued earnings with a 1/60th accrual rate.
- Career average revalued earnings with a 1/70th accrual rate.
- Career average revalued earnings with a 1/80th accrual rate
- Career average revalued earnings with a 1/120th accrual rate, contracted in,

From the 1st April 2011 Angus Housing Association Limited has elected to operate the career average revalued earnings with a 1/60th accrual rate benefit option for active members and new entrants as at 1st April 2011 rather than the Final Salary with 1/60th benefit option which has been offered up to the 31st March 2011.

During the accounting period Angus Housing Association Limited paid contributions at the rate of 8.6% pensionable salaries, member contributions were 8.5%. As at the balance sheet date there were 33 active members of the Scheme employed by Angus Housing Association Limited. Angus Housing Association Limited continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to an individual participating employer as the Scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total Scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the Scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Trustee commissions an actuarial valuation of the Scheme every three years. The Scheme's 30 September 2012 valuation is currently in progress and will be finalised by 31 December 2013. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, so that the Scheme can meet its pension obligations as they fall due. The last formal valuation of the Scheme was performed as at 30 September 2009 by a professionally qualified Actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £295 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £160 million, equivalent to a past service funding level of 64.8%.

Financial assumptions underlying the 2009 Valuation were:	% pa
- Investment return pre retirement	7.4
- Investment return post retirement – non pensioners	4.6
- Investment return post retirement – pensioners	4.8

NOTES TO THE ACCOUNTS
At 31st March 2013

19 PENSION SCHEME (Cont'd)

- Rate of salary increases	4.5
- Rate of pension increases	
Pension accrued pre 6 April 2005 in excess of GMP	2.9
Pension accrued from 6 April 2005	2.2
(for leavers before 1 October 1993 pension increases are 5.0% pa)	
- Rate of price inflation	3.0

Mortality Tables	
Non-pensioners	SAPS (S1PA) All Pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement
Pensioners	SAPS (S1PA) All Pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement

Contribution Rates for Future Service	%
Final salary 60ths	19.2
Career average 60ths	17.1
Career average 70ths	14.9
Career average 80ths	13.2
Career average 120ths	9.4
Additional rate for deficit contributions	10.4
(* Expressed in nominal pound terms (for each employer) increasing each 1 April in line with the rate of salary increases assumption. Earnings as at 30 September 2009 are used as the reference point for calculating the additional contributions.)	

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2011. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £341 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £207 million, equivalent to a past service funding level of 62.2%.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis, i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Angus Housing Association Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scottish Housing Associations' Pension Scheme based on the financial position of the Scheme as at 30 September 2012. As of this date the estimated employer debt for Angus Housing Association Limited was £5,698,113.

NOTES TO THE ACCOUNTS
At 31st March 2013

19 PENSION SCHEME (Cont'd)

Growth Plan

Angus Housing Association Ltd also participates in the Pensions Trust's Growth Plan ("The Plan"). The Plan is funded and is not contacted out of the state scheme. The Plan is a multi-employer pension Plan.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions. If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them. Angus Housing Association paid contributions at the rate of nil% during the accounting period. As at the balance sheet date there was two active member of the Plan employed by Angus Housing Association Limited. One members paid contributions at the rate of 2%, the other at 3% during the accounting period. Angus Housing Association continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme where the Plan assets are co-mingled for investment purposes, and benefits are paid from the total Plan assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable. The valuation results at 30 September 2008 have now been in 2009 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%.

The financial assumptions underlying the valuation as at 30 September 2008 were as follows:

		% per annum
-	Investment return pre-retirement	7.6
-	Investment return post-retirement	
	Actives/deferred	5.1
	Pensioners	5.6
-	Bonuses on accrued benefits	0.0
-	Rate of price inflation	3.2

NOTES TO THE ACCOUNTS
At 31st March 2013

19 PENSION SCHEME (Cont'd)

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The preliminary triennial valuation results as at 30 September 2011 were received in March 2012 but, as the valuation will not be finalised until later this year, this disclosure note must still refer to the 2008 valuation results as the last completed valuation.

The Scheme Actuary's preliminary results for 30 September 2011 show that the Plan's assets at that date were £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2008 valuation was forwarded to The Pensions Regulator on 18 December 2009 as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre-October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan(calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Angus Housing Association Ltd has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30th September 2012. As of this date the estimated employer debt for Angus Housing Association Ltd was £ 2,476.49.

NOTES TO THE ACCOUNTS
At 31st March 2013

20 CAPITAL COMMITMENTS

	2013	2012
Contracted less certified	558,196	47,543
Authorised but not contracted	Nil	Nil

The Committee of Management expects the majority of the expenditure they have authorised to be fully financed by Housing Association Grant from The Scottish Government or by mortgages from private sector lenders.

21 OTHER COMMITMENTS

The Association's annual commitments under non-cancellable operating leases are as follows:

	2013	2012
Other operating leases	£	£
Within one year	Nil	7,213
Between one and five years	46,515	33,842
	46,515	41,055

22 SUBSIDIARIES INFORMATION

Details of the investments in which the company holds more than 10% of the nominal value of any class of share capital are as follows:

Name of Company	Country of Registration or Incorporation	Date of Incorporation	Proportion of Voting Rights	Nature of Business
Subsidiary Undertakings Musselcrag Limited	Scotland	19/08/2010	Wholly Controlled	Dormant since incorporation

NOTES TO THE ACCOUNTS
At 31st March 2013

23 PRIOR YEAR ADJUSTMENT – COMPONENT ACCOUNTING

The prior year adjustment reflected the introduction of component accounting in accordance with SORP update 2010 which confirms that housing properties always comprise of several components.

The Association has determined that its properties include major components as set out in note 1 to these financial statements. The SORP 2010 requires these components to be accounted for separately to the land and structure of the building for depreciation purposes.

The effect of this change in accounting policy was to decrease the Association's surplus for the year ending 31st March 2011 by £557,753.

The cumulative effect on the Association's reserves was an increase of £1,660,464.

24 CONTINGENT LIABILITY

The Association participates in a multi-employer pension scheme. Should the Association leave the scheme, the amount of employer debt has been estimated at £5,698,113 as at September 2012. At this time, there is no plan for leaving the scheme.