

FRENCH DUNCAN LLP
Chartered Accountants
Statutory Auditors
375 West George Street
Glasgow
G2 4LW

BARRHEAD HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012
Registered Housing Association No. HCB70
Financial Services Authority No. 2229R(S)
Charity No. SC 036265

BARRHEAD HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS

31st MARCH 2012

MANAGEMENT COMMITTEE

Rena McGuire (Chairperson)
Claire Boyd (Vice Chairperson)
Brian Connelly MBE (Secretary)
Jack Tait
David McCready

William Anderson
Laura Hendry
Gavin McVicar
Michael Mukhtar
Edward Tweedie

EXECUTIVE OFFICERS

Shirley Robison
Jim Munro
Douglas McIntyre
Helen Sutherland

Director
Housing Manager
Property Manager
Finance Manager

REGISTERED OFFICE

60-70 Main Street
Barrhead
Glasgow
G78 1SB

AUDITORS

FRENCH DUNCAN LLP
375 WEST GEORGE STREET
GLASGOW
G2 4LW

BANKERS

BANK OF SCOTLAND
112 MAIN STREET
BARRHEAD
GLASGOW
G78 1RD

SOLICITORS

TC YOUNG
7 WEST GEORGE STREET
GLASGOW
G2 1BA

REGISTRATION PARTICULARS:

Financial Services Authority

Industrial and Provident Societies Act 1965
Registered Number 2229R(S)

Scottish Housing Regulator

Housing Scotland Act 2001
Registered Number HCB 70

Scottish Charities

Charities and Trustee Investment (Scotland) Act 2005
Scottish Charity Number SCO 036265

BARRHEAD HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

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BARRHEAD HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2012

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

Principal activity

The principal activity of Barrhead Housing Association Limited ("Barrhead") is the provision of housing for let at rents affordable to the client groups for whom it intends to provide.

Barrhead is registered with the Financial Services Authority as an Industrial and Provident Society, the Office of the Scottish Charities Regulator (OSCR) as a charity, and the Scottish Housing Regulator as a Registered Scottish landlord.

Our Strategic Aims

Barrhead's strategic aims are set out in its Business Plan and are as follows:

- Promotion of tenant involvement in the management of their homes and in the management of the Association.
- Have an organisation that is accountable to tenants and represents their views.
- Provide a quality housing and management service for the local community.
- Undertake comprehensive improvement programmes including an aim to achieve secure, safe homes.
- Provide quality rented housing at affordable rents.
- Provide a cost effective and efficient service to tenants.
- To work in partnership with other housing providers to meet housing needs.
- Attract investment to build new housing as part of a development strategy and to identify partnership arrangements to fulfill this.
- Contribute to the local economy through the creation of employment and training needs wherever possible and as identified by our wider action strategy.
- Support initiatives that will promote a healthy community and improve the quality of peoples lives.

Our vision is one of diverse communities in which people can expand their opportunities, exercise choice and maximise their potential. Some of the main objectives which we think can help achieve this aim include:

- achieving continuous improvement in all the services we deliver, and achieving and maintaining high standards of business efficiency and effectiveness;
- creating opportunities for significant levels of user involvement in what we do; and
- being recognised by regulators and strategic partners as delivering excellent performance.

We see these as challenging objectives, which will change the way we deliver our core services of housing, housing support, advice, and consultancy. In particular, we seek to challenge what we currently do and look to improve, rather than simply carry on with existing patterns of work.

BARRHEAD HOUSING ASSOCIATION LIMITED
REPORT OF COMMITTEE OF MANAGEMENT
31 MARCH 2012

Business review

Barrhead made a surplus of £679,904 (2011 restated - £567,614) during the year.

The Association has continued in 2011/12 to review its systems, controls and procedures and internal audit reports to date did not highlight any significant weaknesses in the Association's systems.

The Association has a clearly defined programme of improvement works which it is in the process of carrying out. The Association is 99.5% compliant with the Scottish Housing Quality Standards.

Results for the year and transfers

The results for the year are shown in the Income and Expenditure Account.

£

Transfers to designated reserve:

Major repairs reserve

527,735

Retained in revenue reserve

175,912

Members of Committee of Management

The Members of the Committee of Management of the Association during the year to 31 March 2012 were as follows:

Rena McGuire (Chairperson)	Cllr Danny Devlin (resigned 28.04.11)
Claire Boyd (Vice Chairperson)	William Anderson
Brian Connelly MBE (Secretary)	Jim Geddes (resigned 29.09.11)
Jack Tait	Laura Hendry
Edward Tweedie	Gavin McVicar
John Logue (resigned 21.06.12)	David McCready
Cllr McAlpine (appointed 26.05.11) and	Michael Mukhtar (appointed 28.08.11)
(resigned 24.05.12)	

Each full member of the Committee of Management holds one fully paid share of £1 in Barrhead. The executive officers of Barrhead hold no interest in Barrhead's share capital and although not having the legal status of "director" they act as executives within the authority delegated by the Committee.

BARRHREAD HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2012

Executive Team

The Executive Team Members of Barthead are as follows:

Shurley Robison	Director
Jim Munro	Housing Manager
Douglas McIntyre	Property Manager
Helen Sutherland	Finance Manager

Operational Review

1 Corporate Governance

Barthead has a Committee of Management who are elected by the members of the Association. (See above for details). It is the responsibility of the Committee to undertake the strategy, setting of policy and overall direction for the Association. They also monitor the operational activities of the Association. The members of the Committee of Management are unpaid.

The Executive Team of Barthead (as listed above) are responsible for achieving the strategy set, undertaking the operational activities in line with the policies set.

Our governing body is our Committee of Management, which is responsible to the wider membership. Committee of Management members serve in a voluntary capacity, and we recognise that this puts even more on us to ensure that we set and achieve high standards of professionalism in our work. We take governance very seriously, and in the last year we continued to build on work from previous years which strengthened our governance arrangements. The Vice Chair, Claire Boyd and Secretary, Brian Connelly MBE achieved the SVQ Governance qualification in 2009.

This report details issues that have arisen during the year relating to the main activities undertaken by Barthead.

2 Corporate Issues

Tenant involvement and participation is a major part of Barthead's Aims and Objectives, and we continue to review how Barthead involves tenants in its activities.

Barthead is committed to involving staff in decision making and policy making. In the year just ended, staff were fully involved in the business planning process and regular staff meetings were held to keep staff informed of our activities.

Performance Management

Service delivery is underpinned by staff performance. This continues to be a high priority for us. In the last year we have continued with our staff appraisal system and this produces a staff development needs assessment in line with the budget provision. We also continue to review our performance management framework, which influences our reporting performance framework. Investors in People status was first awarded in May 2009. During the year the Association was reassessed and awarded Bronze status.

Best use of resources

We regularly conduct risk assessments, and take any action necessary to reduce or limit risk. We have continued with a programme of major investment in our housing stock, which is by far our most costly asset. This includes both carrying out improvements, and also considering whether any of our older schemes should be remodelled to meet the changing requirements of tenants in the future. We are updating our stock condition information, to ensure that our long-term financial planning reflects our future investment requirements. We are well on track to meet the 2015 SHQS for our stock.

Services

We aim to deliver high quality services, and we set ourselves the goal of achieving continuous improvement in what we do. In our housing stock, we moved ahead with some major improvements that had become necessary. We continued in the year to deliver many completed adaptations to existing properties, to meet the specific needs of our tenants. We were also able to install 7 new lifts at our sheltered housing complex to ensure first floor flats were more accessible and could be re-let much quicker.

3 Development Issues

In the year just completed the Association has spent £1,674,611 (2011 restated - £678,214) on its development programme and acquisition of houses, of which £768,724 (2011 restated - £261,071) was funded by grants received from the Scottish Government (Housing Association Grant).

4 Housing Issues

Barthead continues to work on reducing the period of time taken to re-let or let new properties, to ensure that we maximize our effectiveness in housing people in need, and reduce our costs. The rent loss due to empty properties was £16,818 (2011 - £14,551). Work is continuing to improve this figure. There was an increase in the time taken to re-let void properties during the year. This is a result of our first floor sheltered housing properties being deemed as difficult to let but the new lifts installed during the year should rectify this going forward.

5. Other Areas

Risk Management Policy

The Committee has a formal risk management process, which is linked to our Business Plan. This will assess business risks and the implementation of our risk management strategies. This involved identifying the types of risks the Association faces and is likely to face, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Committee have reviewed the adequacy of the Association's current internal controls.

Accordingly they have set policies on internal controls which cover the following:

- consideration of the type of risks the Association faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks concerned materialising;
- the Association's ability to reduce the incidence and impact on the business of risks that do materialise and the costs of operating particular controls relative to the benefit obtained;
- clarified the responsibility of management to implement the Committee's policies and to identify and evaluate risks for their consideration;
- communicated that employees have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control system in the Association's operations so that it becomes part of the culture of the Association;
- developed systems to respond quickly to evolving risks arising from factors within the charity and to changes in the external environment; and
- included procedures for reporting failings immediately to appropriate levels of management and the Committee together with details of corrective action being undertaken.

Internal Financial Control

The Committee of Management is responsible for establishing and maintaining the Association's system of internal control. Internal control systems are designed to meet the particular needs of the Association and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The key procedures which the Committee of Management has established with a view to providing effective internal financial control are listed on page 9.

Management Structure

The Committee of Management has overall responsibility for the Association and there is a formal schedule of matters specifically reserved for decision by the Committee.

Budgetary Process

Each year the Committee of Management approves the annual budget and rolling three-year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Committee of Management of variances from the budget, updated forecasts for the year together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure and treasury management.

Credit Payment Policy

The Association's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The average payment period is thirty days.

General Reserves Policy

The Committee members have reviewed the reserves of Barrhead. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. During the year the Association's general reserve increased from £729k to £905k (see note 6).

The Association has one designated fund for major repairs. The purpose of this fund is detailed in note 1 to the financial statements.

Investment Appraisal

Capital expenditure is regulated by budgetary process and authorisation levels. For expenditure beyond specified levels, detailed written proposals have to be submitted to the Committee. Reviews are carried out during the development period, to monitor expenditure and performance.

Maintenance policies

Barrhead seeks to maintain its properties to the highest standard. To this end, programmes of cyclical repairs are carried out in the medium term to deal with the gradual and predictable deterioration of building components. It is expected that the cost of all these repairs would be charged to the Income and Expenditure account.

In addition, the Association has a long-term programme of major improvements to cover for works which have become necessary since the original development was completed, including works required by subsequent legislative changes. This includes replacement or repairs to features of the properties, which have come to the end of their economic lives. The cost of these repairs would be charged to the Income and Expenditure account, unless it was agreed they could be capitalised within the terms outlined in the SORP.

BARRHEAD HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2012

Treasury Management

Barrhead has an active treasury management function, which operates in accordance with the Treasury Policy approved by the Committee of Management. In this way the Association manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held. The Association, as a matter of policy, does not enter into transactions of a speculative nature.

Employee Involvement and Health & Safety

Barrhead achieved Investors in People accreditation in May 2009. Bronze status was accredited in January 2012.

The Association encourages employee involvement in all major initiatives and maintaining Health & Safety standards in all areas. When appropriate staff are invited to form working groups to revise policies etc.

Quality and Integrity of Personnel

The integrity and competence of personnel are ensured through high recruitment standards and subsequent training courses. High quality personnel are seen as an essential part of the control environment and the ethical standards expected are communicated through the Director.

Disabled Employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retain them in order that their employment with the Association may continue. It is the policy of the Association that training, career development and promotion opportunities should be available to all employees.

Rental Income

Barrhead's Rent Policy is a points system based on the size, type and facilities of the accommodation. The policy ensures that the rent structure is easy to administer and covers the wide variations within the Association's properties. This policy follows the generally accepted practice/principles of the Housing Movement.

Future developments

The Association intends to continue with its policy of improving the quality of housing within its area of operation.

**BARRHEAD HOUSING ASSOCIATION LIMITED
REPORT OF COMMITTEE OF MANAGEMENT
31 MARCH 2012**

Auditors

French Duncan LLP have indicated their willingness to continue acting as auditor to the Association.

On behalf of the Committee of Management

Date: 26th July 2012

Name:



BARRHAD HOUSING ASSOCIATION LIMITED

STATEMENT OF COMMITTEE RESPONSIBILITIES

31 MARCH 2012

The Management Committee is responsible for preparing the financial statements in accordance with the applicable law and United Kingdom Generally Accepted Accounting Practice.

Statute requires the Management Committee to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Housing Association and of the surplus or deficit of the Housing Association for that year. In preparing those financial statements, the Management Committee is required to fulfil the following obligations:

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

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002, the Housing Scotland Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and deduction of fraud and other irregularities.

The Management Committee confirms that the financial statements comply with the above requirements.

In so far as the Management committee is aware:

- there is no relevant audit information of which the Association's auditors are unaware; and;
- the Management Committee has taken all steps that it ought to have taken to make its members aware of any relevant audit information and to establish that the Association's auditors are aware of that information.
- taking reasonable steps for the prevention and detection of fraud.

By order of the Committee of Management

Name: 

Date: 26th July 2012

BARRHAD HOUSING ASSOCIATION LIMITED

COMMITTEE OF MANAGEMENT'S STATEMENT ON INTERNAL FINANCIAL CONTROLS

31 MARCH 2012

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

- the reliability of financial information used within the Association or for publication;
 - the maintenance of proper accounting records; and
 - the safeguarding of assets (against unauthorised use or disposition).
- It is the Committee of Management's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;

- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;

- forecasts and budgets are prepared regularly which allow the Committee of Management and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate;

- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Committee of Management;

- the Committee of Management review reports from management, from directors, staff and from the internal and external auditors to provide reasonable assurance that control procedures are in place and are being followed, including a general review of the major risks facing the Association; and

- formal procedures have been established for implementing appropriate action to correct weaknesses identified from the above reports.

BARRHREAD HOUSING ASSOCIATION LIMITED

COMMITTEE OF MANAGEMENT'S STATEMENT ON INTERNAL FINANCIAL

CONTROLS

31 MARCH 2012

(Continued)

The Committee of Management have reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2011 and until the below date. No weaknesses were found in internal financial controls which resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the auditors' report on the financial statements.

By order of the Committee of Management

Name: 

Date: 25th July 2012

BARRHEAD HOUSING ASSOCIATION LIMITED

AUDITORS' REPORT ON CORPORATE GOVERNANCE MATTERS

Corporate Governance

In addition to our audit of the financial statements, we have reviewed the Committee of Management's statement on pages 10 and 11 concerning the Association's compliance with the information required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing".

Basis of Opinion

We carried out our review having regard to the Bulletin 2006/5 that was issued by the Auditing Practices Board. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on pages 10 and 11 has provided the disclosures required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing" and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

Date: 27 August 2012

Frank O'Neil
French Duncan LLP
Chartered Accountants
Statutory Auditor
375 West George Street
Glasgow
G2 4LW

BARRHREAD HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

BARRHREAD HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Barthead Housing Association Limited for the year ended 31 March 2012 on pages 15 to 34. 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 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 Committee and auditor

As explained more fully in the Committee's Responsibilities Statement set out on page 9, the Committee is 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2012 and of its income and expenditure for the year then ended; and

- have been prepared in accordance with the requirements of the Industrial and Provident Societies Acts 1965 to 2002, Schedule 7 of the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007.

BARRHEAD HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

BARRHEAD HOUSING ASSOCIATION LIMITED

(Continued)

Matters arising 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 requires 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 of the Association; or
- we have not received all the information and explanations we require for our audit.

Frank Duncan LLP

French Duncan LLP
Chartered Accountants
Statutory Auditor
375 West George Street
Glasgow
G2 4LW

27 August 2012

BARRHED HOUSING ASSOCIATION LIMITED

INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

	2012	Notes	2011 (Restated) £
Turnover	3,258,915	2	3,229,348
Less: Operating Costs	(2,190,714)	2	(2,284,930)
Operating Surplus	1,068,201	2	944,418
Gain/(Loss) on sale of fixed assets	41,787		13,841
Interest receivable and other income	17,246		12,985
Interest payable and other charges	(447,330)	4	(403,630)
Surplus on ordinary activities before tax	679,904		567,614
Taxation on surplus on ordinary activities	-	5	-
Surplus for year	679,904		567,614

The results for the year relate wholly to continuing activities.

BARRHEAD HOUSING ASSOCIATION LIMITED
STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS
YEAR ENDED 31 MARCH 2012

	2012	2011	
	£	£	
Surplus for the year	679,904	567,614	
Prior Year Adjustment	520,459	-	
Total surpluses and deficits recognised since last reporting period	<u>1,200,363</u>	<u>567,614</u>	

BARRHEAD HOUSING ASSOCIATION LIMITED
BALANCE SHEET
AS AT 31 MARCH 2012

Notes	2012	2011
	£	£
	£	(restated)
	2012	2011
Tangible Fixed Assets		
Housing properties		
- gross cost less depreciation	53,178,136	52,081,562
Less: HAG	(38,014,909)	(37,346,700)
Other Assets	298,131	314,434
Investments	15,461,358	15,049,296
	1	-
Current Assets	15,461,359	15,049,296
Debtors	475,094	209,162
Cash at bank and in hand	1,836,012	2,251,751
	8	
Current Liabilities	(1,554,965)	(1,721,902)
Creditors due within one year	9	
Net Current Assets	756,141	739,011
	16,217,500	15,788,307
Creditors due after one year	10	(12,877,962)
Net Assets	3,590,230	2,910,345
Capital Reserves		
Share capital	149	168
Designated reserves	2,674,974	2,147,239
Revenue Reserve	905,407	729,495
Restricted Funds	9,700	33,443
	6	
	6	
	6	
	12	

These financial statements were approved and authorised for issue by the Committee of Management on 26th July 2012 and signed on their behalf by:

Secretary: *Paul Bennett*
 Committee Member: *Ronni McGee*
 Committee Member: *Kelaine Boyd*

BARRHEAD HOUSING ASSOCIATION LIMITED

CASH FLOW STATEMENT

YEAR TO 31 MARCH 2012

	2012	2011
Net cash inflow from operating activities	£ 1,109,068	£ 1,439,808
Return on investments and servicing of finance		
Interest received	17,246	12,985
Interest payable	(447,330)	(403,630)
	(430,084)	(390,645)
Investing activities		
Cash paid for construction and purchases	(1,674,611)	(678,214)
Housing association grant received	768,724	277,719
Housing association grant repaid	(18,397)	(12,721)
Proceeds of sale of fixed assets	122,068	41,876
Purchase of other fixed assets	(5,854)	(12,015)
Net cash outflow from investing activities	(808,070)	(383,355)
Net cash (outflow)/inflow before financing	(129,086)	665,808
Financing		
Loans received		78,000
Loan principal repayments	286,653	(312,425)
Net cash (outflow)/inflow from financing	(286,653)	(234,425)
(Decrease)/Increase in cash	(415,739)	431,383

Notes

Restated
2011

BARRHED HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

1. Accounting Policies

(a) Introduction and accounting basis

The principal accounting policies of the Association are set out in the paragraphs (b) to (p) below. The Association is incorporated under the Industrial and Provident Societies Act 1965 and is registered with the Financial Services Authority. The accounts have been prepared under the historical cost convention, and in compliance with The Registered Social Landlords Accounting Requirements (Scotland) Order 2007 and The Statement of Recommended Practice (SORP) 2010, "Accounting by Registered Social Landlords" and applicable Accounting Standards.

(b) Finance

The financial statements have been prepared on the basis that the capital expenditure referred to in note 7 will be grant aided, funded by loans or met out of reserves, or from proceeds of sales.

(c) Mortgages

Mortgage loans are advanced by private lenders under the terms of the individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments, which have been given approval for Housing Association Grant.

(d) Housing Association Grants

Housing Association Grants (HAG) are utilised to reduce the amount of mortgage loan in respect of an approved scheme to the amount, which it is estimated can be serviced by the net annual income of the scheme. The amount of HAG is calculated on the qualifying cost (note 1(f)) of the scheme in accordance with instructions issued from time to time by the grant awarding body. HAG and other grants are repayable under certain circumstances. These include the disposal of the properties to which the grants relate.

(e) Housing Association Grant - Acquisition and Development Allowances receivable

Acquisition and Development Allowances are determined by the grant awarding bodies and are advanced as grants. They are intended to finance certain internal administrative costs relating to the acquisition and development of housing land and buildings for approved schemes. Development allowances become available in instalments according to the progress of work on the scheme. These allowances are credited to development costs when they are receivable.

BARRHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

(f) Fixed assets - Housing land and buildings (note 7)

Properties included in housing properties are stated at cost. The cost of such properties includes the following:

- (i) cost of acquiring land and buildings
- (ii) development expenditure including applicable overheads
- (iii) interest charged on the loans raised to finance the scheme

These costs are either termed "qualifying costs" by the grant awarding bodies for approved HAAG schemes and are considered for mortgage loans by the relevant lending authorities or they are met out of the Association's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value before retention are included in the financial statements for the year, provided that the dates of issue or valuations are prior to the year end.

Development costs are capitalised to the extent that they are attributable to specific schemes, where such costs are not felt to be excessive.

If expenditure does not qualify for HAAG, it is nevertheless capitalised.

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

Interest on the loan financing the development is capitalised up to the relevant date of completion.

(g)

Depreciation

(i) Housing Properties

Housing properties are stated at cost, less social housing and other public grants and less accumulated depreciation. The Association depreciates housing properties by major component on a straight line basis over the expected economic useful lives of each identified component. All components are categorised as Housing Properties in note 7. No depreciation is charged on the cost of land.

Component	Useful Economic Life
Kitchen	15 years
Central Heating System	30 years
Boilers	15 years
Bathrooms	20 years
Windows	25 years
Lifts	40 years
Structure	50 years

BARRHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

(ii) Other fixed assets

The Association's assets are written off evenly over their expected useful lives as follows:

Office premises	-	over 30 years
Furniture & equipment	-	20% reducing balance

A full year's depreciation is charged on these assets in the year of purchase, but no charge is made in the year of disposal.

(h) Designated Reserve - reserves for improvements (note 6)

Accrued major repair expenditure, being the Association's commitment to undertake major repairs to its properties, is set aside in a designated reserve to the extent that it is projected that it will not be met from HAG.

(i) Apportionment of management expenses

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

(j) Lease obligations

Rentals paid under operating leases are charged to the income and expenditure account on the accruals basis.

(k) Sale of Housing Properties

Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale, except for first tranche sales. Any grants received that cannot be repaid from the proceeds of sale are abated and the grants removed from the financial statements.

BARRHREAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

Pensions (m)

The Association participates in the centralised Scottish Housing Associations' Defined Benefit Pension Scheme and retirement benefits to employees of the Association are funded by contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

The expected cost to the Association of pensions is charged to the Income and Expenditure Account so as to spread the cost of pensions over the service lives of the employees.

Impairment of fixed assets (n)

Reviews for impairment of housing properties are carried out on an annual basis and any impairment in an income-generating unit is recognised by a charge to the income and expenditure account. Impairment is recognised where the carrying value of an income-generating unit exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows from these units.

Impairment of assets would be recognised in the income and expenditure account.

Improvements (o)

Improvements are capitalised where these result in an enhancement of the economic benefits of the property. Such enhancement can occur if the improvements result in:-

- an increase in rental income or
- a material reduction in future maintenance costs or
- a significant extension of the life of the property.

Works to existing properties, which fail to meet the above criteria, are charged to the income and expenditure account.

Turnover (p)

Turnover represents rental income receivable from tenants.

BARREHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

2. Particulars of turnover, operating costs and operating surplus or deficit

	Operating Surplus/ (Deficit)	Operating Costs	Turnover	
Operating Surplus/(Deficit) 2011 (Restated) £	1,192,806	2,003,331	3,196,137	Social Lettings
(51,183)	(124,605)	187,383	62,778	Other activities
<u>944,418</u>	<u>1,068,201</u>	<u>2,190,714</u>	<u>3,258,915</u>	Total
	944,418	2,284,930	3,229,348	2011

BARRHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

3. Particulars of Income and Expenditure From Lettings

	£	£	£	£
	2012	2011	2012	2011
	Total	Total	Shared	Supported
	2012	2011	Ownership	Housing
	Total	Restated	£	£
Income from lettings				
Rent receivable net of				
Identifiable Service Charges	3,042,783	2,927,253	28,628	38,932
Service charges receivable	98,928	86,711	2,652	1,032
Gross income from rents and	3,141,711	3,013,964	31,280	39,964
service charges				
Less: Voids	(16,818)	(14,551)	-	-
Net income from rents and	3,124,893	2,999,413	31,280	39,964
service charges				
Revenue grants from Scottish				
Ministers				
Other revenue grants				
Total Turnover from Social	3,124,893	2,999,413	31,280	39,964
Letting Activities				
Management and maintenance	843,512	742,179	-	10,261
administration costs				
Service costs	98,928	86,711	2,652	1,032
Planned and cyclical				
maintenance including major	218,240	452,042	-	-
repair costs				
Reactive maintenance costs	340,080	284,390	-	5,292
Bad debts – rents and service				
charges	26,447	25,907	-	-
Depreciation of social housing	428,778	406,254	3,506	10,907
Tenant Participation	13,696	6,329	-	-
Total Expenditure on	1,969,681	2,003,812	6,158	27,492
Lettings				
Operating Surplus on	1,155,212	995,601	25,122	12,472
Letting Activities				

The amount of service charges receivable on housing accommodation not eligible for Housing Benefit was £285,211. The total amount of major repairs expenditure incurred in the year was £59,334 (2011 - £298,981). Capitalised works to existing properties included in fixed assets totalled £509,570 (2011 - £285,211).

BARRHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012
(Continued)

3b Particulars of turnover, operating costs and operating surplus or deficit from other activities

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total Turnover	Operating costs – bad debts	Other operating costs	Operating surplus or deficit	Operating surplus or deficit for previous period of account
	£	£	£	£	£	£	£	£	£
Wider action/wider role	7,479	-	-	-	7,479	-	72,365	(64,886)	(40,391)
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	22,633	22,633	-	28,310	(5,677)	(2,527)
Development and construction of property activities	5,203	-	-	-	5,203	-	12,390	(7,187)	(29,102)
Support activities	-	-	17,763	-	17,763	-	30,702	(12,939)	(12,854)
Care activities	-	-	-	-	-	-	-	-	-
Agency/management services for registered social landlords	-	-	-	-	-	-	-	-	-
Other agency/management services	-	-	-	-	-	-	-	-	248
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to non registered social landlords	-	-	-	-	-	-	-	-	-
Big Lottery Investing in Ideas Funding	-	9,700	-	-	9,700	-	-	9,700	-
Big Lottery Young People Funding	-	-	-	-	-	-	43,616	(43,616)	33,443
Total from other activities	12,682	9,700	17,763	22,633	62,778	-	187,383	(124,605)	(51,183)
2011	136,896	48,799	17,763	26,477	229,935	-	281,118	(51,183)	

Other Activities are for the Big Lottery Fund Grant. The sum of £9,700 was received in the year. Any grants for this are held in a restricted fund until spent. The restricted fund at 31st March 2011 for previously unspent income was used in the year to fund the expenditure. Details of the movements are shown in Note 6c.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

4.	Interest payable	2012	£	447,330	-
	Interest paid in period	2011	£	403,630	-
	Less capitalised			<u>403,630</u>	<u>403,630</u>

5. **Taxation**

The Association became a charity on 17 December 2004. After that date there is no Corporation Tax due on its exempt activities.

6. **Reserves**

(a) Designated Reserves

		At 31 March	£	2,147,239	2,674,974
	Improvements reserve	2011 (Restated)	£	527,735	2,674,974

No restrictions are placed upon this reserve, but the Committee has designated its use for specific purposes.

(b) Revenue Reserves

2012
£

At beginning of year as previously stated	560,268
Prior Year Adjustment	169,227
Opening balance at 1 April 2011 as restated	<u>729,495</u>
Surplus for year	679,904
Add/(Less) restricted funds	23,743
Transfer to designated reserves	<u>(527,735)</u>
Closing balance at 31 March 2012	<u>905,407</u>

(c) Restricted Funds

At Deferred	9,700	=	33,443	=	9,700
Income	9,700		33,443		9,700
Released	-		-		-
At 1 April 2011	-		-		-
Big Lottery Fund	33,443		33,443		33,443

BARRHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

7a. Tangible Fixed Assets

	Cost	Housing Properties Held for Letting	Housing Properties In course of Construction	Completed Shared Properties	Office Premises	Furniture & Fittings	Equip-ment	Total
	£	£	£	£	£	£	£	£
At 1 April 2011 (Restated)	53,485,716	1,674,611	179,639	-	405,188	172,100	55,080,194	53,485,716
Additions	1,674,611	1,674,611	179,639	-	1,380	4,474	1,680,465	1,680,465
Transfers	179,639	179,639	179,639	(179,639)	-	-	-	179,639
Disposals	(25,614)	(25,614)	(54,563)	(64,153)	-	-	(144,330)	(25,614)
At 31 March 2012	55,314,352	55,314,352	54,563	718,835	406,568	176,574	56,616,329	55,314,352
Housing Association Grant At 1 April 2011 (Restated)	36,602,642	36,602,642	54,563	689,495	-	-	37,346,700	36,602,642
Additions	768,724	768,724	-	-	-	-	768,724	768,724
Transfers	128,668	128,668	-	(128,668)	-	-	-	128,668
Disposals	-	-	(54,563)	(45,952)	-	-	(100,515)	(54,563)
At 31 March 2012	37,500,034	37,500,034	-	514,875	-	-	38,014,909	37,500,034
Depreciation At 1 April 2011 (Restated)	2,363,817	2,363,817	-	57,527	129,302	133,552	2,684,198	2,363,817
Provided	439,686	439,686	-	3,506	13,553	8,604	465,349	439,686
Transfer	10,959	10,959	-	(10,959)	-	-	-	10,959
Disposals	(5,728)	(5,728)	-	(3,757)	-	-	(9,485)	(5,728)
At 31 March 2012	2,808,734	2,808,734	-	46,317	142,855	142,156	3,140,062	2,808,734
Net book value As at 31 March 2012	15,005,584	15,005,584	-	157,643	263,713	34,418	15,461,358	15,005,584
As at 31 March 2011 (Restated)	14,519,257	14,519,257	-	215,605	275,886	38,548	15,049,296	14,519,257

Development administration costs capitalised amount to £5,203 (2011 - £3,335) for which Housing Association Grants amounting to £5,203 (2011 - £3,335) were received in the year.

BARRHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

7b. Investments

Levern Property Services Ltd	2012	2011
	1	-

During the year the Association set up a subsidiary company, Levern Property Services Limited. It was incorporated in Scotland on 24.11.11. The Association holds all of the issued share capital of £1. Levern Property Services Limited was dormant during the year to 31 March 2012.

8. Debtors

Amounts falling due within one year:	£	£
Gross rents in arrears	119,590	120,614
Less bad debt provision	(70,681)	(70,681)
Prepayments and accrued income	48,909	49,933
Other debtors	400,704	136,366
	<u>475,094</u>	<u>209,162</u>

9. Creditors due within one year

Loans	346,196	382,157
Trade creditors	245,828	211,014
Other creditors	614,086	605,563
Accruals	216,593	405,347
Other taxes and Social Security	13,654	14,407
Rents in advance	118,608	103,414
	<u>1,554,965</u>	<u>1,721,902</u>

10. Creditors due after more than one year

Loans	12,627,270	12,877,962
In one year or less	346,196	382,157
Between two and five years	1,896,527	1,936,414
In five years or more	10,730,743	10,941,548
	<u>12,973,466</u>	<u>13,260,119</u>

Loans are secured by specific charges on the Association's properties. Loans were repayable at rates of interest of 1.1% to 5.5% (2011 – 2.5% to 5.75%) in instalments due as follows:

BARRHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

11. Employees

Staff costs during year
Wages and salaries
Social security costs
Other pension costs

2012	2011
£ 539,809	£ 543,526
47,904	41,494
78,738	61,012
<u>666,451</u>	<u>646,032</u>

The average full time equivalent number of persons employed by the Association during the year was as follows:

No	No
18	17
Housing staff	

The Directors are defined as the members of the Management Committee, the Director and any other person reporting directly to the Director or the Management Committee whose total emoluments exceed £60,000 per year.

Aggregate emoluments payable to directors (including pension contributions and benefits in kind)

£	£
61,287	62,747
Emoluments payable to highest paid director (excluding pension contributions)	

The emoluments of the directors whose emoluments, excluding pension contributions, were over £60,000 were as follows:

No	No
1	-
£60,001 to £70,000	

The Director is an ordinary member of the Association's pension scheme described below. No enhanced or special terms apply to membership and she has no other pension arrangements to which the Association contributes. The Association's contributions for the Director in the year amounted to £5,246 (2011 - £8,154).

Total expenses reimbursed insofar as not chargeable to UK Income Tax

£	£
345	495

No member of the Committee of Management received any emoluments in respect of their services to the Association.

BARRHREAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

11. Employees (contd)

Barthead Housing Association Limited participates in the Scottish Housing Association's Pension Scheme, (the 'Scheme'). The Scheme is funded and is contracted-out of the state scheme. It is not possible in the normal course of events to identify the share of the underlying assets and liabilities 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.

The Trustee commissions an actuarial valuation of the Scheme every three years. 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 at 30 September 2009 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets as at the valuation date was £295 million. The valuation showed a shortfall of assets compared to liabilities of £160 million, equivalent to a past service funding level of 64.8%.

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 ie 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

BARRHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

11. Employees Pensions (contd.)

employees. The amount of the debt therefore depends on many factors including the 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.

Barrhead Housing Association Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scottish Housing Pensions Scheme based on the financial position of the Scheme as at 30 September 2011. As of this date the estimated employer debt for Barrhead Housing Association Limited was £2,560,279 (see Note 15).

The Scottish Housing Pensions Scheme is a multi-employer defined benefit scheme. The Scheme offers three 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.

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 given time. An open benefit structure is the one which new entrants are able to join.

Barrhead Housing Association Limited has elected to continue to operate the final salary with 1/60th accrual rate benefit option for active members as at 31 March 2011 and the career average revalued earnings with a 1/80th accrual rate benefit option for new and existing employees from 1 April 2011.

During the accounting period Barrhead Housing Association Limited paid contributions at the rate of 6.6% to 9.6% of pensionable salaries. Members' contributions varied between 6.6% to 9.6%.

As at the balance sheet date there were 11 active members of the scheme employed by Barrhead Housing Association Limited. The annual pensionable payroll in respect of these members was £356,478.

Barrhead Housing Association Limited continues to offer membership of the Scheme to its employees.

11. Employees Pensions (contd.)

The key valuation assumptions used to determine the assets and liabilities of the Scottish Housing Associations' Pension Scheme and financial assumptions underlying the valuation as at 30 September 2009 were as follows:

2009	Valuation assumptions	% pa
-	Investment return pre-retirement	7.4
-	Investment return post retirement – Non-pensioners	4.6
-	Investment return post retirement – Pensioners	4.8
-	Rate of salary increases	4.5
-	Rate of pension increases	2.9
	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%)	
	Rate of price inflation	3.0

Mortality Tables	Non-pensioners	Pensioners
	SAPS (SIPA) All Pensioners Year of Birth Long Cohort with 1% p.a minimum improvement	SAPS (SIPA) All Pensioners Year of Birth Long Cohort with 1% p.a minimum improvement SAPS PA92C2013 short

Contribution Rates for Future Service (payable from 1 April 2011)

Benefit structure	Long-term joint contribution rate (% of pensionable salaries per annum)
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.)

BARRHREAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

12. Share Capital

	2012	2011
Shares of £1 fully paid and issued	£ 168	£ 174
At 1 April 2011	168	174
Shares issued during year	2	4
Shares cancelled in year	(21)	(10)
At 31 March 2012	149	168

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

13. Notes to the Cash Flow Statement

	2012	Restated 2011
(a) Reconciliation of surplus to net cash inflow from operating activities		
Surplus for year	679,904	567,614
Net interest payable	430,084	390,645
Operating surplus for the year excluding interest and tax payable	1,109,988	958,259
Depreciation	465,348	429,397
Gain on sale of fixed assets	(41,787)	(13,841)
Shares cancelled	(19)	(6)
(Increase)/Decrease in debtors	(265,932)	(5,904)
Increase/(Decrease) in creditors	(158,530)	71,904
Reconciliation of net cash flow to movement in net debt	1,109,068	1,439,808
(b) Reconciliation of net cash flow to movement in net debt		
(Decrease)/Increase in cash for the year	(415,739)	431,383
Loans received	-	(78,000)
Loan repayments	286,653	312,425
Change in net debt	(129,086)	665,808
Net debt as at 31 March 2011	(11,008,368)	(11,674,176)
Net debt as at 31 March 2012	(11,137,454)	(11,008,368)

BARREHEAD HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2012

(Continued)

13. Notes to the Cash Flow Statement (contd.)

Analysis of Changes in net debt

As at 1 April 2011	£	£	£	£
Cash at bank and in hand	2,251,751	(415,739)	-	1,836,012
Debt due within one year	(382,157)	286,653	(250,692)	(346,196)
Debt due after one year	(12,877,962)	250,692	-	(12,627,270)
	(11,008,368)	(129,086)	-	(11,137,454)

14. Capital Commitments

Expenditure authorised by the Committee
of Management contracted less certified
Expenditure authorised by the Committee
of Management not contracted

2012	2011
£	£
-	-
-	-

15. Contingent Liabilities

Pensions

Barrehead Housing Association has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2011. As of this date the estimated employer debt for Barrehead Housing Association Limited was £2,560,279 (see Note 11). The Association has no current plans to withdraw from the scheme.

At 31 March 2012 the Association had no other contingent liabilities (2011 - £nil).

16. Housing Stock

The number of units in Management at 31 March was as follows:

2012	2011
£	£
303	305
553	536
856	841
12	12
14	18
882	871

General Needs - Rehabilitation
General Needs - New Build
Supported Accommodation
Shared Ownership

BARRHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

17.	Auditors' Remuneration	
		The remuneration of the auditors (including expenses and excluding VAT for the year)
2012	£	<u>5,350</u>
2011	£	<u>5,010</u>

18. Related Parties

Various members of the Committee are tenants of the Association. The terms applicable to them are the same as applicable to all of the tenants. Councillors Danny Devlin and Ian McAlpine served on the Management Committee during the year. They are councillors with East Renfrewshire Council. Any transactions with East Renfrewshire Council are made at arm's length, on normal commercial terms and Councillors Devlin and McAlpine cannot use their position to their advantage.

There was no trading with Lavern Property Services Limited during the year.

19. Prior Year Adjustment

During the year the Association adopted component accounting, this resulted in a restatement of previous years' results whereby costs which had previously been written off to major repairs were capitalised as a component of the property and depreciated over their useful lives. The 2011 surplus was increased by £156,450 and similarly Housing Assets were increased by the same amount. The total adjustment comprised the seven years to 31 March 2011 and an increase to reserves and assets of £676,910.