



BLUE TRIANGLE (GLASGOW)
HOUSING ASSOCIATION LIMITED

ANNUAL REPORT

& ACCOUNTS

FOR THE YEAR ENDED 31 MARCH, 2011

FSA Registered Number: SP1835/RS

Scottish Charity Number: SC010858

The Scottish Housing Regulator Registered Number: HAL72

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED

Company Information for the Year Ended 31 March 2011

MANAGEMENT BOARD MEMBERS:	Mr. P. Timpson (Chairman) Mr. A. E. Harris Mr. J. Maitland Mr. W. Thompson Mr. M. Cadman (retired 24 March 2011) Mr. N. Robinson Mr. H. McIntosh Mr. J. McKenzie Mr. K. Small Mr. J. McRitchie Ms. A. Richards (retired 24 June 2010) Ms. A. McGregor Ms. M. Paterson Mr. D. Brown (appointed 24 June 2010)
CHIEF EXECUTIVE	Fiona E. Stringfellow
REGISTERED OFFICE:	3 rd Floor 100 Berkeley Street Glasgow G3 7HU
FSA REGISTERED NUMBER:	SP1835/RS
SCOTTISH CHARITY NUMBER:	SC010858
THE SCOTTISH HOUSING REGULATOR REGISTERED NUMBER	HAL72
AUDITORS:	Campbell Dallas LLP Chartered Accountants & Registered Auditors Titanium 1 King's Inch Place Glasgow G51 4BP
BANKERS:	The Royal Bank of Scotland plc 9 Clifton Place Glasgow G3 7JU
SOLICITORS:	Campbell Riddell Breeze Paterson 21 Park Road Milngavie G62 6PJ

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
ANNUAL REPORT OF THE MANAGEMENT BOARD AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2011

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BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED

CHAIRMAN'S STATEMENT

The Accounts for the year to 31 March 2011 show an income surplus of £207,741 (2010 - £354,309) prior to reserve movements for major repairs and cyclical maintenance, and the balance sheet of the Association shows net assets of £3,133,517 (2010 - £3,057,657). The Association continues to enjoy a strong financial position and maintains sound financial management policies. The result for the year is particularly pleasing since the budget for the period under review had originally forecast a deficit and this has been reversed, and a reasonable surplus returned, due to lower than budgeted costs and additional income generated.

During the year the refurbishment of the former hostel at Kerrera Lodge was undertaken, with the works completed shortly after the end of the financial year. The project has been renamed Shore Street Flats and will provide accommodation to fifteen service users, in individual flats, each with their own kitchen and bathroom facilities. My thanks go to the staff involved in the process for all their hard work, and also to Argyll & Bute Council and the Scottish Housing Regulator, without whose valuable assistance the development would not have been possible.

Although the start of the financial year saw the loss of several of our projects in North Lanarkshire, following a tender exercise, and the closure of the Gallowgate project in the autumn, there were many positive developments in the period. The new Paisley service formally commenced in May 2010, providing accommodation for twenty three service users across two locations in Paisley, with housing support provided by a distinct staff team, set up for this purpose. The Lanark project successfully obtained funding from South Lanarkshire Council and the Rural Grant, to provide support to six service users in their own accommodation, this service receiving an initial funding package for two years. Then at the end of the summer, the new project at Alexandria was opened in partnership with West Dunbartonshire Council, this project accommodating ten service users.

Although the economic background remains unsettled, against the backdrop of a changing political landscape, and despite the effect of cut backs by local authorities starting to be felt, the Association continues to thrive and provide much needed housing support services across nine local authority areas of Scotland. It is pleasing to note that our regulatory bodies who monitor our services continue to recognise the professional and supportive services our staff provide, with consistently high grades, enabling the Association to make a difference in the lives of those whom we care for and support in their journey to overcoming homelessness and progressing towards independent living.

I would like to express my thanks to the Management Board and the Committees for all their work.

My thanks also go to our Chief Executive, Executive Team and Support and Office Staff for all their effort and commitment.



P. Timpson
Chairman.

28 July 2011

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED

ANNUAL REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31ST MARCH, 2011

The Management Board submits its thirty fifth Annual Report and the Audited Accounts for the year ended 31st March, 2011.

MANAGEMENT BOARD

During the financial period the Management Board was made up as follows:-

- o Mr. A.E. Harris, elected 26 June 2008
- o Mr. P. Timpson, elected 26 June 2008
- o Mr. J. Maitland, elected 25 June 2009
- o Mr. W. Thompson, elected 25 June 2009
- o Mr. N. Robinson, elected 25 June 2009
- o Mr. H. McIntosh, elected 24 June 2010
- o Mr. K. Small, elected 24 June 2010
- o Mr. M. Cadman, retired 24 March 2011
- o Mr. J. McKenzie, elected 26 June 2008
- o Mr. J. McRitchie, elected 24 June 2010
- o Mrs. A. Richards, retired 24 June 2010
- o Ms. A. McGregor, elected 24 June 2010
- o Ms. M. Paterson, elected 25 June 2009
- o Mr. D. Brown, appointed 24 June 2010

RECRUITMENT AND APPOINTMENT OF MANAGEMENT BOARD

At the Annual General Meeting in accordance with the rules of the Association Mr. A.E. Harris, Mr. P. Timpson, Mr. J. Maitland and Mr. W. Thompson retire by rotation and Mr. A. E. Harris, Mr. P. Timpson, Mr. J. Maitland and Mr. W. Thompson offer themselves for re-election.

The Management Board seeks to ensure that the needs of its client group are appropriately reflected through the diversity of the Board and Committee structure. To enhance the potential pool of members, the Association has, through selective advertising and networking, sought to identify people who would be willing to become members and utilise their own skills and experience to assist the Association.

The Management Board has a broad range of skills and members. Each year the members are requested to provide a list of their skills and in the event of particular skills being lost due to retirements, individuals are approached to offer themselves for election to the Management Board.

RECRUITMENT AND APPOINTMENT OF DIRECTOR

The Director is the Chief Executive and is an individual with a wide range of skills, based in business, finance and housing support. To maintain the balance, retired Directors are replaced by those with a similar skill set. Potential Directors are identified by the Management Board and meet with the Chairman and Appointments Committee to establish whether or not their appointment is appropriate.

MEMBERS INDUCTION & TRAINING

Most members of the Management Board are already familiar with the practical work of the Association. Where new members are elected, information is supplied regarding the obligation of Management Board members, details of the Association's main documents and up to date financial statements. In addition an annual 'Away Day' is held for both members and staff, providing valuable information and updates on topical areas. Members are also encouraged to attend the hostels as part of the regular programme of project visits.

DIRECTOR'S INDUCTION AND TRAINING

New Directors will meet the Chairman of the Board and Senior Management and receive an induction to familiarise them with the services provided by the Association. Directors are encouraged to attend the annual Away Day and to undertake relevant courses.

GOVERNING DOCUMENT

The Association is a registered charity and was registered on 25 August 1986. In addition the Association is a registered social landlord, registered with The Scottish Housing Regulator and also registered with the Financial Services Authority, formerly the Registry of Friendly Societies.

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED

ANNUAL REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31ST MARCH, 2011 (continued)

STATEMENT OF RESPONSIBILITIES OF DIRECTOR AND MANAGEMENT BOARD

The law governing Housing Associations requires the Director and the Management Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those financial statements the Director and the Management Board are required to:

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

The Director and the Management Board are responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the statutory requirements. They are responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud.

INTERNAL FINANCIAL CONTROL

The Management Board acknowledges its responsibility for the Association's system of internal financial control. Such a system can only provide reasonable and not absolute assurance against material misstatement or loss.

Procedures including regular spot checks by the Internal Auditors have been implemented to provide effective internal financial control and their effectiveness has been reviewed by the Management Board.

RISK MANAGEMENT

The Association has conducted a review of the major risks to which it is exposed and this review is updated annually. Where appropriate, systems or procedures have been established to mitigate the risks which the Association faces.

ORGANISATIONAL STRUCTURE

The Association has a Management Board of 14 members (of whom 2 retired during the year) who meet eight times per year and also a number of committees who meet regularly and report directly to the Management Board.

A scheme of delegation is in place and day to day responsibility for the provision of the Association's projects rests with the Chief Executive, along with the Finance Director and Operations Director. The Chief Executive is responsible for ensuring that the Association delivers the services specified and that key performance indicators are met.

PRINCIPAL ACTIVITY

The principal activity of the Association in the year under review was the provision of special needs housing accommodation for the young single homeless.

The Association continues to operate the hostels at;

- o Somerset Place, (2 Somerset Place, Glasgow), which accommodates eight young persons (2010 - 8)
- o Chalmers Court, (36 Charlotte Street, Ayr), which accommodates twelve persons (2010 - 12), and
- o Viewpark, (596/606 Old Edinburgh Road, Uddingston), which accommodates twelve young persons (2010 - 12)

All these hostels provide care and supervision during the day and night.

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED

ANNUAL REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31ST MARCH, 2011 (continued)

Limited support accommodation is provided at;

- o Holland Court, (150 Holland Street/339 Sauchiehall Street, Glasgow), which accommodates forty-seven young persons (2010 - 47)
- o Dundonald Road, Paisley, which accommodates twelve young persons (2010 – 12)
- o Greenside House, Lanark, which accommodates twelve young persons (2010 – 12)
- o 23/25 Clydesdale Street, Hamilton, which accommodates thirteen young persons (2010 – 12)
- o Glasgow Floating Support, which accommodates eight young persons (2010 – 8)
- o 829 Shettleston Road and 82 Old Shettleston Road, Glasgow, which accommodates eight young persons (2010 – 8)
- o 26/30 Bank Street, Kilmarnock, which accommodates ten young persons (2010 – 10)
- o Braehead, Bonhill, which accommodates eight young persons (2010 – 8)
- o Alexander Street, Clydebank, which accommodates thirteen young persons (2010 – 13)
- o 13 High Bank Park, Lochgilphead, which accommodates three young persons (2010 – 3)
- o Millhill, Musselburgh, which accommodates nine young persons (2010 – 10)
- o Kerrera Lodge, Oban, which is temporarily closed during refurbishment
- o Solas, Oban, which accommodates five persons (2010 – 4)
- o Westbay Flats, Oban, which accommodates nine persons (2010 – 10)
- o Wemyss House, Port Seton, which accommodates seven persons (2010 – 7)
- o High Street, Musselburgh, which accommodates five young persons (2010 – 5)
- o Lorn Court, Oban, which accommodates six persons (2010 – 6)
- o Don Mor Lodge, Oban, which accommodates five persons (2010 – 7)
- o Victoria Drive East, Renfrew, which accommodates seventeen persons (2010 – 17)
- o Argyle Street, Paisley, which accommodates eleven persons (2010 – N/A)
- o 12 Alexander Street, Alexandria, which accommodates ten persons (2010 – N/A)

During the year the project at Gallowgate closed and the projects at Airdrie, Motherwell, Muirhead and Wishaw transferred to other providers. The flats at Cawdor Place were incorporated into the re-development of Kerrera Lodge.

The Association has received grants from The Scottish Housing Regulator for capital expenditure together with revenue grants and Community Care monies from Glasgow City Council.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Management Board considers that the Association has had a satisfactory year, and appropriate sums have been transferred in the year from revenue reserves to designated reserves created to meet the future major repair and cyclical maintenance costs of the Housing Association's projects. The financial position at the year end is a healthy one and the Board remains confident that a continued quality approach to business issues will secure the Association's position in the future.

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED

ANNUAL REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31ST MARCH, 2011 (continued)

FINANCIAL REVIEW

The Management Board is pleased to report that although turnover fell in the year to £7,629,372 (2010:£7,926,853), the surplus for the year of £207,741 (2010:£354,309) is considered satisfactory in light of the current economic climate. The Association continues to assess its performance on a project by project basis.

DIRECTOR AND HER INTEREST

The Director who served during the year and their beneficial interest in the Association's share capital was:

	<u>31.3.2011</u>	<u>1.4.2010</u>
Mrs F.E. Stringfellow	-	-
	<u>-</u>	<u>-</u>

EMPLOYEES

The Association recognises the requirement for employees to be informed in matters of concern to them and provide them with relevant information, and an Employee Forum has been set up to facilitate this process.

SHARE CAPITAL

No shares were issued during the year (2010-1).

RESERVES POLICY

The Association maintains revenue reserves to ensure there are sufficient reserves to continue its normal day to day operations. The Association also maintains designated reserves for Cyclical Maintenance and Major Repairs to ensure that the Association is able to maintain its properties in accordance with a planned programme of works. The Association also maintains an Insurance Reserve to meet its liability for any liability below the minimum claims threshold in terms of its insurance policies.

DISCLOSURE OF INFORMATION TO AUDITORS

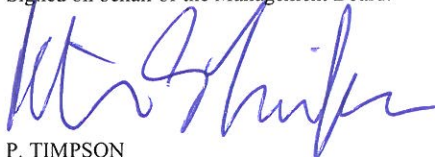
As far as each of the members of the Management Board at the time the report is approved are aware:

- (a) there is no relevant information of which the Association's Auditors are unaware and
- (b) the members of the Management Board have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of the information.

AUDITORS

A resolution for the re-appointment of Campbell Dallas LLP will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Management Board.



P. TIMPSON
Chairman.

Dated: 28 July 2011

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Blue Triangle (Glasgow) Housing Association Limited for the year ended 31 March 2011 on pages nine to twenty two. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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, and for the opinion we have formed.

Respective responsibilities of Director and Auditors

The Director and the Management Board's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of the Board's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance 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. We also report to you, if, in our opinion, the Report of the Director and Management Board is not consistent with the financial statements, if the Association has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Director's remuneration and transactions with the Association is not disclosed.

We read the Report of the Director and Management Board and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Director and Management Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Association's affairs as at 31 March 2011 and of its surplus for the year then ended and have been properly prepared in accordance 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.

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.



Peter Gallanagh (Senior Statutory Auditor)
Campbell Dallas LLP
Chartered Accountants & Registered Auditors
Eligible to act as an auditor in terms of Section 1212 of
the Companies Act 2006
Titanium 1
King's Inch Place
Glasgow G51 4BP

Dated: 29 July 2011

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED

REPORT OF THE AUDITORS TO THE MANAGEMENT BOARD OF BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your Statement on page 4 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 Bulletin 1999/5 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 controls on page 4 has provided the disclosures required by the section on Internal Financial Control section 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.



Peter Gallanagh (Senior Statutory Auditor)

Campbell Dallas LLP

Chartered Accountants & Registered Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Titanium 1

King's Inch Place

Glasgow G51 4BP

Dated: 29 July 2011

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011

	NOTES	£	2011 £	£	2010 £
Turnover			7,629,372		7,926,853
Less: Operating Costs – Administration Costs			<u>7,422,756</u>		<u>7,569,236</u>
Operating Surplus			206,616		357,617
Gain on sale of fixed assets			<u>2,105</u>		<u>920</u>
			208,721		358,537
Interest received		8,565		7,710	
Interest payable	9	<u>(9,545)</u>		<u>(11,938)</u>	
			(980)		(4,228)
Surplus for the year	10, 17		<u><u>207,741</u></u>		<u><u>354,309</u></u>

The results for the year relate wholly to continuing activities.

The Association has no recognised gains and losses other than those included in the surplus above, and therefore no separate statement of total recognised gains and losses has been presented.

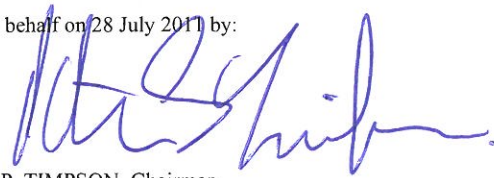
There is no material difference between the surplus on ordinary activities for the year and the surplus for the year stated above and their historical cost equivalent.

The notes on page 13 to 22 form part of these financial statements.

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011

		<u>2011</u>		<u>2010</u>	
	Notes	£	£	£	£
<u>TANGIBLE FIXED ASSETS</u>					
Housing Land and Buildings					
Cost	2		4,679,656		3,784,618
Less: Housing Association Grant			<u>3,250,494</u>		<u>2,595,494</u>
			1,429,162		1,189,124
Others – Furniture & Fittings, Office Equipment & Motor Vehicles	2		<u>44,988</u>		<u>39,603</u>
			<u>1,474,150</u>		<u>1,228,727</u>
<u>TOTAL FIXED ASSETS</u>					
<u>CURRENT ASSETS</u>					
Debtors	3	325,407		364,682	
Cash and Bank Balances		<u>2,100,621</u>		<u>2,126,155</u>	
		2,426,028		2,490,837	
<u>CURRENT LIABILITIES</u>					
Creditors: Amounts falling due within one year	4		<u>(686,339)</u>		<u>(537,829)</u>
NET CURRENT ASSETS			<u>1,739,689</u>		<u>1,953,008</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>					
			3,213,839		3,181,735
<u>CREDITORS:</u> Amounts falling due after more than one year	4		<u>(80,322)</u>		<u>(124,078)</u>
NET ASSETS			<u>3,133,517</u>		<u>3,057,657</u>
<u>CAPITAL AND RESERVES</u>					
SHARE CAPITAL	5		42		42
DESIGNATED RESERVES	6		1,038,018		1,008,238
REVENUE RESERVES			<u>2,095,457</u>		<u>2,049,377</u>
			<u>3,133,517</u>		<u>3,057,657</u>

The financial statements were approved by Management Board and were signed on its behalf on 28 July 2011 by:



P. TIMPSON, Chairman



N. ROBINSON, Convener, Finance Committee



F. E. STRINGFELLOW, Chief Executive

The notes on page 13 to 22 form part of these financial statements.

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Notes	£	2011 £	£	2010 £
Net cash inflow from operating activities	1		270,679		475,025
Returns on investments and servicing of finance	2		2,017		(507)
Capital Expenditure	2		<u>(353,351)</u>		<u>(121,067)</u>
			(80,655)		353,451
Finance	2		<u>(43,756)</u>		<u>(47,466)</u>
Increase in cash in the period			<u>(124,411)</u>		<u>305,985</u>
			£		£
Reconciliation of net cash flow to movement in net debt:					
(Decrease)/Increase in cash in the period			(124,411)		305,985
Change in net debt			43,756		47,467
Net cash funds at 1 April 2010			<u>1,729,063</u>		<u>1,375,611</u>
Net cash funds at 31 March 2011			<u>1,648,408</u>		<u>1,729,063</u>
1 Reconciliation of operating surplus to net cash inflow from operating activities:-					
Operating surplus			208,721		358,537
(Gain) on sale of fixed assets			(2,105)		(920)
Depreciation charges			16,015		24,911
Decrease in Debtors			39,471		42,484
Increase/(Decrease) in Creditors			<u>8,577</u>		<u>50,013</u>
Net cash inflow from operating activities			<u>270,679</u>		<u>475,025</u>
2 Analysis of cash flows for headings netted in the cash flow statement					
Returns on investments and servicing of finance:					
Interest received			11,489		11,537
Interest paid			<u>(9,472)</u>		<u>(12,044)</u>
Net cash inflow for returns on investments and servicing of Finance			<u>2,017</u>		<u>(507)</u>
Capital Expenditure:					
Cyclical Maintenance, Major Repairs and Insurance Reserves			(135,001)		(146,215)
Purchase and refurbishment of properties			(854,055)		(90,194)
Purchase of other fixed assets			(41,495)		(13,019)
HAG and other grants			655,000		109,720
Sale of Assets			<u>22,200</u>		<u>18,641</u>
Net cash outflow for capital expenditure			<u>(353,351)</u>		<u>(121,067)</u>
Financing:					
Share Issued			-		1
Loans repaid			<u>(43,756)</u>		<u>(47,467)</u>
Net cash outflow from financing			<u>(43,756)</u>		<u>(47,466)</u>

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (continued)

3. Analysis of changes in net debt:

	<u>At 1 April</u> <u>2010</u> £	<u>Cash</u> <u>Flow</u> £	<u>At 31 March</u> <u>2011</u> £
Net Cash			
Cash at bank	2,126,155	(25,534)	2,100,621
Bank overdrafts	<u>(219,785)</u>	<u>(98,877)</u>	<u>(318,662)</u>
	<u>1,906,370</u>	<u>(124,411)</u>	<u>1,781,959</u>
Debts due < 1 year	(53,229)	-	(53,229)
Debts due > 1 year	<u>(124,078)</u>	<u>43,756</u>	<u>(80,322)</u>
	<u>(177,307)</u>	<u>43,756</u>	<u>(133,551)</u>
	<u>1,729,063</u>	<u>(80,655)</u>	<u>1,648,408</u>
Analysed in Balance Sheet:			
Cash at bank and in hand	2,126,155		2,100,621
Bank overdraft	(219,785)		(318,662)
Loans due within one year	(53,229)		(53,229)
Loans due after one year	<u>(124,078)</u>		<u>(80,322)</u>
	<u>1,729,063</u>		<u>1,648,408</u>

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

1. ACCOUNTING POLICIES

(a) Introduction and Accounting Basis

The financial statements have been prepared in accordance with applicable accounting standards. The principal accounting policies of the Association are set out in paragraphs (b) to (n) below. These financial statements are prepared under the historical cost convention in accordance with Statement of Recommended Practice – Accounting by Registered Social Landlords (2008). They also comply with The Registered Social Landlords Accounting Requirements (Scotland) Order 2007.

(b) Finance

The financial statements have been prepared on the basis that the capital expenditure referred to in Note 2 will be grant aided, funded by loan or met out of reserves.

(c) Mortgages

Mortgage loans are advanced by private lenders, local authorities or The Scottish Housing Regulator under the terms of 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 by The Scottish Housing Regulator. Mortgage loans in the balance sheet include amounts due but not received (note 1(g)).

(d) Housing Association Grants

Housing Association Grants (HAG) are made by The Scottish Housing Regulator and 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 costs (Note 1 (g)) of the scheme in accordance with instructions issued from time to time by The Scottish Housing Regulator. The grants are paid direct to the lending authority and are reflected in the financial statements of the Association only when the payment has been made and the relevant mortgage loan reduced.

For schemes developed with new HAG, Housing Association Grant is paid directly to the Association as required to meet its liabilities during the development process.

HAG is repayable under certain circumstances, primarily following sale of property, but will normally be restricted to net proceeds of sale.

(e) Revenue and Hostel Deficit Grants

Revenue and Hostel Deficit Grants are payable to the Association at the discretion of The Scottish Housing Regulator. They are credited to the income and expenditure account in the year in which the deficits occur. The amount credited to the income and expenditure account is evaluated in accordance with the principles used by The Scottish Housing Regulator for assessing claims for Hostel Deficit Grants.

(f) Housing Association Grant

Acquisition and Development Allowances Receivable

Acquisition and Development Allowances are determined by The Scottish Housing Regulator and are advanced as mortgage loans. They are intended to finance certain internal administrative costs relating to the acquisition and development of housing properties for approved schemes. Development allowances become available in instalments according to the progress of work on the schemes. Amounts equal to these allowances are added to housing properties and are released to the income and expenditure account when they are receivable.

For schemes developed with new HAG, development fees are receivable at amounts approved by The Scottish Housing Regulator. These are credited to income and expenditure account so as to match the related costs.

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)

(g) Fixed Assets - Housing Properties (Note 2)

Housing properties are stated at cost. The development cost of housing properties funded with traditional HAG or under earlier funding arrangements includes the following:

- (i) cost of acquiring land and buildings
- (ii) development expenditure
- (iii) interest charged on the mortgage loans raised to finance the scheme
- (iv) amounts equal to acquisition and development allowances receivable

These costs are either termed "qualifying costs" by The Scottish Housing Regulator for approved Housing Association Grant schemes and are considered for mortgage loans by the relevant lending authorities, or are met out of the Association's reserves.

All invoices and architect's certificates relating to capital expenditure incurred in the year at the net value after retentions are included in the financial statements for the year, provided that the dates of issue or valuation are prior to the year end. Related mortgage advances receivable from lending authorities are also included.

If expenditure does not qualify for Housing Association Grant it is nevertheless capitalised and an equivalent amount is transferred from the accumulated surplus to the property equity account.

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.

Interest on the mortgage loan financing the development is capitalised up to the relevant date of the interim HAG application. Interest on the residual mortgage loan after this date is charged to the hostel revenue account. Interim relevant date for each scheme is determined in accordance with guidelines laid down in circulars from time to time. Interest on advances made after the interim HAG application is capitalised up to the final relevant date for the scheme, guidelines for which are determined by The Scottish Housing Regulator and laid down in circulars from time to time.

For schemes developed with new HAG the above also applies but with the following modifications.

Item (iv) and the fees and expenses element of (ii) are replaced by development fees approved by The Scottish Housing Regulator. Interest is capitalised from first draw down of private finance according to the funding arrangements agreed by The Scottish Housing Regulator. This will normally occur after HAG has been claimed up to the agreed limit.

(h) Depreciation

(i) Housing properties

Depreciation of housing properties is effectively recognised by Housing Association Grants which reduces the net investment in housing properties, and in particular land, net investment being cost less Housing Association Grant, to an amount which can be recovered from the expected net rental income.

It is considered, having reviewed the historical cost of housing property in the accounts, after deduction of Housing Association Grants that the effect of a depreciation charge would not be material and therefore is not appropriate. In reaching this decision to not charge depreciation on the housing properties, cognisance was taken of the long useful economic lives of the properties and their high residual values.

(ii) Other fixed assets:

Office equipment (20%) motor vehicles (25%) and furniture and fittings (20%) have been depreciated on cost, except where cost has been covered by Housing Association Grant. Leasehold property improvements are depreciated over the term of the lease.

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)

(i) Designated Reserves (Note 6)

Reserve for future cyclical repairs and maintenance

The reserve is based on the Association's liability to maintain the properties in accordance with a planned programme of works, provided for to the extent that it will not be met from revenue in the year in which it is incurred.

Insurance Reserve

The reserve is based on the Association's liability to meet the first £5,000 on any claim made under its insurance policies.

Major Repairs

The reserve is based on the Association's liability to meet the cost of major repairs to the extent that it will not be met from revenue in the year in which it is incurred.

(j) Apportionment of Employee and Administration Costs

Direct employee, administration and operating costs have been apportioned to the hostel revenue account and the relevant sections of income and expenditure account on the basis of the actual expenditure. Management and administration costs are further apportioned on the basis of total costs.

(k) Pensions

The Association does not operate a company pension scheme, however contributions are paid to employees' personal pension schemes and charged to the Income and Expenditure account in the year of payment.

(l) Turnover

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, Supporting People income and revenue grants from local authorities.

(m) Supporting People

Supporting People income and expenditure relating to services is accounted for on an accruals basis, matching income and expenditure, and disclosures are made in accordance with the relevant standards and legislation.

(n) Taxation

The Association is a regulated charity and is exempt from corporation tax on its charitable activities.

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)

2. <u>TANGIBLE FIXED ASSETS</u>	Freehold Housing Properties	Motor Vehicles	Furniture & Office Fittings	Equipment	TOTAL
	Held for letting £	£	£	£	£
COST					
At beginning of year	3,784,618	51,502	118,911	80,375	4,035,406
Additions during year	895,038	41,495	-	-	936,533
Disposals during the year	-	(38,483)	-	-	(38,483)
At end of year	<u>4,679,656</u>	<u>54,514</u>	<u>118,911</u>	<u>80,375</u>	<u>4,933,456</u>
Housing Association & Other Grants					
At beginning of year	2,595,494	-	32,604	52,740	2,680,838
Addition during year	655,000	-	-	-	655,000
Disposals during year	-	-	-	-	-
At end of year	<u>3,250,494</u>	<u>-</u>	<u>32,604</u>	<u>52,740</u>	<u>3,335,838</u>
Depreciation					
At beginning of year	-	14,662	86,307	24,872	125,841
Provided during year	-	13,252	-	2,763	16,015
Eliminated on Disposals	-	(18,388)	-	-	(18,388)
At end of year	-	<u>9,526</u>	<u>86,307</u>	<u>27,635</u>	<u>123,468</u>
Net Book Value at 31.3.2011	<u>1,429,162</u>	<u>44,988</u>	<u>-</u>	<u>-</u>	<u>1,474,150</u>
Net Book Value at 31.3.2010	<u>1,189,124</u>	<u>36,840</u>	<u>-</u>	<u>2,763</u>	<u>1,228,727</u>

3. DEBTORS

	<u>2011</u>	<u>2010</u>
	£	£
Amounts falling due within one year		
Rental Arrears	244,346	310,962
Less provision for bad debts	<u>(21,579)</u>	<u>(31,450)</u>
	222,767	279,512
Other Debtors	<u>102,640</u>	<u>85,170</u>
	<u>325,407</u>	<u>364,682</u>

4. CREDITORS

	<u>2011</u>		<u>2010</u>	
	Amounts falling due		Amounts falling due	
	<u>Within One Year</u>	<u>After More Than</u>	<u>Within One Year</u>	<u>After More Than</u>
	£	One Year	£	One Year
	£	£	£	£
Bank Overdraft	318,662	-	219,785	-
Mortgage Accounts	53,229	80,322	53,229	124,078
Other Creditor	110,531	-	61,817	-
Accrued Charges	<u>203,917</u>	<u>-</u>	<u>202,998</u>	<u>-</u>
	<u>686,339</u>	<u>80,322</u>	<u>537,829</u>	<u>124,078</u>

The Association's borrowings from the Royal Bank of Scotland plc are secured on the subjects at 23/25 Clydesdale Street, Hamilton, 3rd Floor, 100 Berkeley Street, Glasgow and 26/30 Bank Street, Kilmarnock, comprising two mortgages bearing interest fixed at 5.99% for 10 years. Repayments in respect of these loans are as follows:-

	<u>2011</u>	<u>2010</u>
	£	£
Within one year (included in current liabilities)	53,229	53,229
Between one and two years	53,229	53,229
Between two and five years	<u>27,093</u>	<u>70,849</u>
	<u>133,551</u>	<u>177,307</u>

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)

<u>5. SHARE CAPITAL</u>	<u>2011</u>	<u>2010</u>
	<u>No.</u>	<u>No.</u>
Shares of £1 each allotted, issued and fully paid		
At 1 April 2010	42	41
Issued during year	-	1
	<u>42</u>	<u>42</u>
Cancelled during year	-	-
At 31 March 2011	<u>42</u>	<u>42</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends on a winding up. Each member has a right to vote at members meetings.

6. DESIGNATED RESERVES

	<u>Cyclical Maintenance</u>	<u>Insurance</u>	<u>Major Repairs</u>	
	<u>Reserves</u>	<u>Reserves</u>	<u>Reserves</u>	<u>Total</u>
	£	£	£	£
<u>Designated Reserves</u>				
Provision at beginning of year	346,138	85,676	576,424	1,008,238
Transfer from revenue	90,116	4,645	66,900	161,661
	436,254	90,321	643,324	1,169,899
Interest on major repairs	-	-	3,120	3,120
	436,254	90,321	646,444	1,173,019
Utilised during year	(129,421)	-	(5,580)	(135,001)
Provision at end of year	<u>306,833</u>	<u>90,321</u>	<u>640,864</u>	<u>1,038,018</u>

7. TAX ON ORDINARY ACTIVITIES

The Association has charitable status for tax purposes and no liability to corporation tax arises.

8. PARTICULARS OF INCOME AND EXPENDITURE FROM LETTINGS

	<u>2011</u>	<u>2010</u>
Turnover is stated after:		
Rent loss from voids	<u>256,395</u>	<u>220,635</u>
Operating costs are stated after:		
Rent losses from bad debts	<u>103,864</u>	<u>41,313</u>

9. INTEREST PAYABLE

	<u>2011</u>	<u>2010</u>
	£	£
Bank Interest	<u>9,545</u>	<u>11,938</u>

10. SURPLUS FOR THE YEAR

The surplus for the year is stated after charging

	<u>2011</u>	<u>2010</u>
	£	£
Director's Remuneration	63,101	72,974
Director's Pension	5,379	8,330
Depreciation	16,015	24,911
Auditor remuneration: audit services	7,185	6,000
Auditor remuneration: non-audit services	<u>5,468</u>	<u>7,684</u>

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)

11. OBLIGATIONS UNDER LEASE CONTRACTS

The following operating lease payments are committed to be paid within one year:

	Land & Buildings	
	<u>2011</u>	<u>2010</u>
	£	£
Expiring: within one year	<u>538,900</u>	<u>354,543</u>

12. REVENUE GRANTS

Grants have been received from Glasgow City Council to supplement income for hostel accommodation in the sum of £72,000 and £11,961 from the South Lanarkshire Rural Partnership.

13. CAPITAL COMMITMENTS

	<u>2011</u>	<u>2010</u>
	£	£
(see also note 1(d) and (g))		
Contracted Less Certified		
HAG Funded	-	655,765
Loan Funded/From Existing Funds	95,590	457,883
Authorised by Management Board but		
Not Contracted	<u>Nil</u>	<u>Nil</u>
	<u>95,590</u>	<u>1,113,648</u>

14. PAYMENT TO MEMBERS, COMMITTEE MEMBERS, OFFICERS, EMPLOYEES, ETC

	<u>2011</u>	<u>2010</u>
	£	£
Fees, remuneration or expenses payable to members of the Association who were neither members of the Management Board nor employees of the Association	None	None
Fees, remuneration or expenses payable to members of the Management Board of the Association who were neither officers nor employees of the Association	None	None
Fees, remuneration or expenses paid to officers of the Association who were not employees.	None	None
Payments or gifts made, or benefits granted, to the persons referred to in Sections 13 and 15 of the Housing Associations Act 1985	None	None

15. EMPLOYEES AND EMPLOYEE COSTS

	<u>2011</u>	<u>2010</u>
	No	No
Average number of employees (including part-time and relief workers)	<u>310</u>	<u>322</u>
<u>Employee costs during year</u>	£	£
Wages and salaries	4,896,505	5,190,449
National insurance contributions	429,779	456,921
Other pension costs	94,494	83,791
	<u>5,420,778</u>	<u>5,731,161</u>

16. LEGISLATIVE PROVISIONS

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

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)

17. THE BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
RECONCILIATION OF MOVEMENTS IN FUNDS

	<u>2011</u>	<u>2010</u>
	£	£
Surplus for the financial year	207,741	354,309
Transfer to designated reserves	<u>(161,661)</u>	<u>(173,700)</u>
	46,080	180,609
Share capital issued	<u>-</u>	<u>1</u>
Net addition to funds	46,080	180,610
Opening funds	<u>2,049,419</u>	<u>1,868,809</u>
	<u>2,095,499</u>	<u>2,049,419</u>
Equity Interest	<u>2,095,499</u>	<u>2,049,419</u>

18. HOUSING STOCK

The number of units of accommodation owned by the Association was as follows:

	<u>2011</u>	<u>2010</u>
	No.	No.
Average number of units of special needs accommodation in management during the year was:	<u>108</u>	<u>111</u>

19. ACCOMMODATION MANAGED BY REGISTERED SOCIAL LANDLORD

The number of units of accommodation owned or leased by the Association and also managed was as follows:

Average number of units of special needs accommodation in management during the year, owned or leased accommodation was as follows:

	<u>2011</u>	<u>2010</u>
	No.	No.
At start of year	<u>281</u>	<u>283</u>
At end of year	<u>250</u>	<u>281</u>

20. ACCOMMODATION MANAGED BY OTHERS:

The number of units of accommodation owned by the Association and managed by others was as follows:

Accommodation managed by Registered Social Landlord

Average number of units of special needs accommodation managed by others

	<u>2011</u>	<u>2010</u>
	No.	No.
At start of year	<u>27</u>	<u>27</u>
At end of year	<u>27</u>	<u>27</u>

These units are managed by Glasgow City Council who pay a rental to the Association of £58,750 per annum.

21. CONTINGENT LIABILITY

Blue Triangle (Glasgow) Housing Association Limited has received Housing Association Grants of £3,325,838 in respect of the purchase and renovation of certain properties. Whilst the Association has no plans to sell any of these properties, should the sale of a property take place the Association has an obligation to refund the specific grant relating to the property.

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)

22. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT

	Turnover	Operating Costs	Operating Surplus or Deficit	Turnover	Operating Costs	Operating Surplus or Deficit
	2011	2011	2011	2010	2010	2010
	£	£	£	£	£	£
Social Lettings	7,629,372	7,422,756	206,616	7,926,853	7,569,236	357,617
Other Activities	-	-	-	-	-	-
Total	7,629,372	7,422,756	206,616	7,926,853	7,569,236	357,617
Total for previous period of account	7,926,853	7,569,236	357,617	7,833,278	7,659,104	174,174

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
 NOTES TO THE ACCOUNTS (Continued)

23. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM
 SOCIAL LETTING ACTIVITIES.

	General Needs Housing	Supported Housing Accommodation	Shared Ownership Housing	Other (Describe)	Total	Total for previous period of account
	£					
Rent receivable net of service charges	-	7,572,461	-	-	7,572,461	7,903,002
Service Charges	-	-	-	-	-	-
Gross Income from rents and service charges	-	7,572,461	-	-	7,572,461	7,903,002
Less Voids	-	256,395	-	-	256,395	220,635
Net income from rents and service charges	-	7,316,066	-	-	7,316,066	7,682,367
Grants from the Scottish Ministers	-	-	-	-	-	-
Other revenue grants	-	313,306	-	-	313,306	244,486
Total turnover from social letting activities	-	7,629,372	-	-	7,629,372	7,926,853
Management and Maintenance administration costs	-	1,381,677	-	-	1,381,677	1,306,184
Service Costs	-	5,495,370	-	-	5,495,370	5,856,370
Planned and cyclical maintenance including major repairs costs	-	161,661	-	-	161,661	146,215
Reactive maintenance costs	-	280,184	-	-	280,184	219,154
Bad debts - rents and service charges	-	103,864	-	-	103,864	41,313
Depreciation of social housing	-	-	-	-	-	-
Impairment of social housing	-	-	-	-	-	-
Operating costs for social letting activities	-	7,422,756	-	-	7,422,756	7,569,236
Operating surplus or deficit for social lettings	-	206,616	-	-	206,616	357,617
Operating surplus or deficit for social letting for previous period of account	-	-	-	-	357,617	174,174

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS (Continued)

24. 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
	£	£	£	£	£	£	£	£	£
“Other activities” that are material should be clearly described and a materiality of 5% of turnover or costs, or									
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	-	-	-	-	-	-	-	-	-
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-	-
Development and construction of property activities	-	-	-	-	-	-	-	-	-
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Agency/management services for registered social landlords	-	-	-	-	-	-	-	-	-
Other agency/management services	-	-	-	-	-	-	-	-	-
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to non registered social landlords	-	-	-	-	-	-	-	-	-
Other activities (describe here)	-	-	-	-	-	-	-	-	-
Total from other activities	-	-	-	-	-	-	-	-	-
Total from other activities for the previous period of account	-	-	-	-	-	-	-	-	-

£250,000, whichever is lower, should be applied for item or items included as “other activities”.