



BLUE TRIANGLE (GLASGOW)
HOUSING ASSOCIATION LIMITED

ANNUAL REPORT

& ACCOUNTS

FOR THE YEAR ENDED 31 MARCH, 2012

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 2012

MANAGEMENT BOARD MEMBERS:	Mr. P. Timpson (Chairman) Mr. A. E. Harris Mr. J. Maitland Mr. W. Thompson Mr. N. Robinson Mr. H. McIntosh Mr. J. McKenzie Mr. K. Small Mr. J. McRitchie Ms. A. McGregor (retired 19 July 2011) Ms. M. Paterson (retired 21 March 2012) Mr. D. Brown
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, 2012

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BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED

CHAIRMAN'S STATEMENT

The accounts for the year to 31 March 2012 show an income surplus of £286,546 (2011 - £207,741) prior to reserve movements for property refurbishment and cyclical maintenance, and the balance sheet of the Association show net assets of £3,279,441 (2011 - £3,133,517). The Association continues to maintain sound financial management policies and enjoys a strong financial position. The results compare favourably to the budget set, with close control over costs and void levels, helped by additional income generated resulting in a better than budgeted performance.

The year under review saw the successful completion of the refurbishment works at Shore Street Flats (formerly Kerrera Lodge), creating 15 self-contained flats in Oban, and I would like to thank Argyll & Bute Council, The Scottish Government, the contractors, our staff and all our partners on a successful project. Residents moved in to the project in May 2011 and the Association held a successful opening ceremony attended by our various partners, Board members, residents and staff. Also, in the same local authority area we opened a three bed unit in Campbeltown, creating a much needed resource in the town.

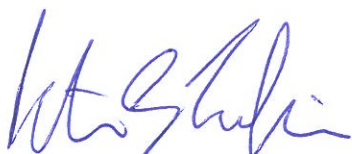
Other highlights in the year include the development of a Tenancy Sustainment training package, for local authorities to help alleviate homelessness and facilitate the successful sustainment of tenancies. In addition one of our service users from the Hamilton project took part in the Homeless World Cup and one of our support workers from the Kilmarnock project was named West of Scotland Carer of the Year for Children and Young People at an award ceremony held in Strathclyde University.

Subsequent to the year end the Association was successful in a recent tendering exercise in South Lanarkshire and has been awarded a contract to operate two supported accommodation projects in Hamilton and Blantyre, which will accommodate twenty three service users.

With the advent of Welfare Reform and particularly Universal Credit and the cap on benefits proposed by the Government, the Association faces a difficult landscape in the year to come. Many aspects of Welfare Reform have already been made public however the impact on supported accommodation is yet to be announced. Ongoing cuts generally in local authority budgets and the proposed introduction of auto enrolment of staff into a pension scheme add to the challenges faced by the Association. However we have faced many challenges over the years and I am confident the Association is well placed and resourced to deal with the implications of all these factors and to continue to do what we do best, providing quality support and accommodation to the most marginalised members of society.

I would like to express my thanks to the Management Board and 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.

2 August 2012

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED

ANNUAL REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31ST MARCH, 2012

The Management Board submits its thirty sixth Annual Report and the Audited Accounts for the year ended 31st March, 2012.

MANAGEMENT BOARD

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

- o Mr. A.E. Harris, elected 28 July 2011
- o Mr. P. Timpson, elected 28 July 2011
- o Mr. J. Maitland, elected 28 July 2011
- o Mr. W. Thompson, elected 28 July 2011
- 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. J. McKenzie, elected 26 June 2008
- o Mr. J. McRitchie, elected 24 June 2010
- o Ms. A. McGregor, retired 19 July 2011
- o Ms. M. Paterson, retired 21 March 2012
- 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. N. Robinson, Mr. H. McIntosh, and Mr. J McKenzie retire by rotation and Mr. N. Robinson, Mr. H. McIntosh, and Mr. J McKenzie 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, 2012 (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 12 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.

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED

ANNUAL REPORT OF THE MANAGEMENT BOARD
FOR THE YEAR ENDED 31ST MARCH, 2012 (continued)

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 supported accommodation projects at;

- o 829 Shettleston Road and 82 Old Shettleston Road, Glasgow, which accommodates eight young persons (2011 – 8)
- o Holland Court, (150 Holland Street/339 Sauchiehall Street, Glasgow), which accommodates forty-seven young persons (2011 - 47)
- o Chalmers Court, (36 Charlotte Street, Ayr), which accommodates twelve persons (2011 - 12),
- o Glasgow Floating Support, which accommodates eight young persons (2011 – 8)
- o Dundonald Road, Paisley, which accommodates twelve young persons (2011 – 12)
- o Somerset Place, (2 Somerset Place, Glasgow), which accommodates eight young persons (2011 - 8)
- o Viewpark, (596/606 Old Edinburgh Road, Uddingston), which accommodates twelve young persons (2011 - 12)
- o Greenside House, Lanark, which accommodates twelve young persons (2011 – 12)
- o 26/30 Bank Street, Kilmarnock, which accommodates ten young persons (2011 – 10)
- o 23/25 Clydesdale Street, Hamilton, which accommodates thirteen young persons (2011 – 13)
- o Braehead, Bonhill, which accommodates eight young persons (2011 – 8)
- o Alexander Street, Clydebank, which accommodates thirteen young persons (2011 – 13)
- o 13 High Bank Park, Lochgilphead, which accommodated three young persons (closed 30 March 2012) (2011 – 3)
- o Millhill, Musselburgh, which accommodates nine young persons (2011 – 9)
- o Shore Street, Oban, which accommodates fifteen persons (2011 – N/A)
- o Solas, Oban, which accommodates five persons (2011 – 5)
- o Westbay Flats, Oban, which accommodated nine persons (closed 15 May 2011) (2011 – 9)
- o Wemyss House, Port Seton, which accommodates seven persons (2011 – 7)
- o High Street, Musselburgh, which accommodates five young persons (2011 – 5)
- o Lorn Court, Oban, which accommodates six persons (2011 – 6)
- o Don Mor Lodge, Oban, which accommodates six persons (2011 – 5)
- o Victoria Drive East, Renfrew, which accommodates seventeen persons (2011 – 17)
- o Argyle Street, Paisley, which accommodates eleven persons (2011 – 11)
- o 12 Alexander Street, Alexandria, which accommodates ten persons (2011 – 10)
- o 103 Millknowe, Campbeltown, which accommodates three persons (2011 – N/A)

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 property refurbishment 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, 2012 (continued)

FINANCIAL REVIEW

The Management Board is pleased to report that turnover rose in the year to £7,719,278 (2011:£7,629,372), and the surplus for the year of £286,546 (2011:£207,741) 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>31.3.2012</u>	<u>1.4.2011</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 (2011-0).

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 Property Refurbishment 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

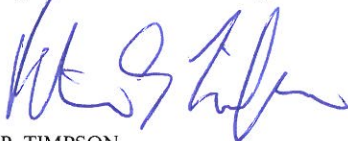
As far as each of the members of the Management Board at the time the report is approved are aware:

- (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: 2 August 2012

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 2012 on pages eight to twenty one. 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, and for the opinion we have formed.

Respective responsibilities of Director and Auditors

As explained more fully in the Annual Report of the Management Board, the Director and Management Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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.

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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Management Board; and the overall preparation of the financial statements. In addition, we read all of the financial and non-financial information in the Annual Report of the Management Board to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2012 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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.



Neil Morrison (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: 3 August 2012

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2012

	NOTES	£	2012 £	£	2011 £
Turnover			7,719,278		7,629,372
Less: Operating Costs – Administration Costs			<u>7,421,465</u>		<u>7,422,756</u>
Operating Surplus			297,813		206,616
Gain on sale of fixed assets			<u>-</u>		<u>2,105</u>
			297,813		208,721
Interest received		11,565		8,565	
Interest payable	9	<u>(22,832)</u>		<u>(9,545)</u>	
			(11,267)		(980)
Surplus for the year	10, 17		<u><u>286,546</u></u>		<u><u>207,741</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 12 to 21 form part of these financial statements.

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2012

		<u>2012</u>		<u>2011</u>	
	Notes	£	£	£	£
<u>TANGIBLE FIXED ASSETS</u>					
Housing properties – depreciated cost	2		4,280,950		4,259,721
Less: Housing Association Grant			(3,250,494)		(3,250,494)
			<u>1,030,456</u>		<u>1,009,227</u>
Land and Buildings			419,935		419,935
Others – Furniture & Fittings, Office Equipment & Motor Vehicles	2		31,359		44,988
			<u>1,481,750</u>		<u>1,474,150</u>
<u>TOTAL FIXED ASSETS</u>					
<u>CURRENT ASSETS</u>					
Debtors	3	305,899		325,407	
Cash and Bank Balances		<u>2,211,989</u>		<u>2,100,621</u>	
		2,517,888		2,426,028	
<u>CURRENT LIABILITIES</u>					
Creditors: Amounts falling due within one year	4	<u>(443,013)</u>		<u>(686,339)</u>	
NET CURRENT ASSETS			<u>2,074,875</u>		<u>1,739,689</u>
			3,556,625		3,213,839
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>					
CREDITORS: Amounts falling due after more than one year	4		<u>(277,184)</u>		<u>(80,322)</u>
NET ASSETS			<u>3,279,441</u>		<u>3,133,517</u>
<u>CAPITAL AND RESERVES</u>					
SHARE CAPITAL	5		42		42
DESIGNATED RESERVES	6		1,059,096		1,038,018
REVENUE RESERVES	17		<u>2,220,303</u>		<u>2,095,457</u>
			<u>3,279,441</u>		<u>3,133,517</u>

The financial statements were approved by Management Board and were signed on its behalf on 2 August 2012 by:

P. TIMPSON, Chairman

N. ROBINSON, Convener, Finance Committee

F. E. STRINGFELLOW, Chief Executive

The notes on page 12 to 21 form part of these financial statements.

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Notes	£	2012	£	2011	£
Net cash inflow from operating activities	1		339,827		270,679	
Returns on investments and servicing of finance	2		(4,461)		2,017	
Capital Expenditure	2		<u>(273,242)</u>		<u>(353,351)</u>	
			62,124		(80,655)	
Finance	2		<u>235,084</u>		<u>(43,756)</u>	
Increase/(Decrease) in cash in the period			<u>297,208</u>		<u>(124,411)</u>	
Reconciliation of net cash flow to movement in net debt:						
Increase/(Decrease) in cash in the period			297,208		(124,411)	
Change in net debt			(235,084)		43,756	
Net cash funds at 1 April 2011			<u>1,648,408</u>		<u>1,729,063</u>	
Net cash funds at 31 March 2012			<u>1,710,532</u>		<u>1,648,408</u>	
1 Reconciliation of operating surplus to net cash inflow from operating activities:-						
Operating surplus			297,813		208,721	
(Gain) on sale of fixed assets			-		(2,105)	
Depreciation charges			117,739		16,015	
Decrease in Debtors			21,333		39,471	
(Decrease) /Increase in Creditors			<u>(97,058)</u>		<u>8,577</u>	
Net cash inflow from operating activities			<u>339,827</u>		<u>270,679</u>	
2 Analysis of cash flows for headings netted in the cash flow statement						
Returns on investments and servicing of finance:						
Interest received			17,021		11,489	
Interest paid			<u>(21,482)</u>		<u>(9,472)</u>	
Net cash inflow for returns on investments and servicing of Finance			<u>(4,461)</u>		<u>2,017</u>	
Capital Expenditure:						
Cyclical Maintenance, Major Repairs and Insurance Reserves			(147,903)		(135,001)	
Purchase and refurbishment of properties			(125,339)		(854,055)	
Purchase of other fixed assets			-		(41,495)	
HAG and other grants			-		655,000	
Sale of Assets			-		22,200	
Net cash outflow for capital expenditure			<u>(273,242)</u>		<u>(353,351)</u>	
Financing:						
Share Issued			-		-	
Loans advanced			300,000		-	
Loans repaid			<u>(64,916)</u>		<u>(43,756)</u>	
Net cash inflow/(outflow) from financing			<u>235,084</u>		<u>(43,756)</u>	

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012 (continued)

3. Analysis of changes in net debt:

	<u>At 1 April</u> <u>2011</u> £	<u>Cash</u> <u>Flow</u> £	<u>At 31 March</u> <u>2012</u> £
Net Cash			
Cash at bank	2,100,621	111,368	2,211,989
Bank overdrafts	(318,662)	185,840	(132,822)
	<u>1,781,959</u>	<u>297,208</u>	<u>2,079,167</u>
Debts due < 1 year	(53,229)	(38,222)	(91,451)
Debts due > 1 year	(80,322)	(196,862)	(277,184)
	<u>(133,551)</u>	<u>(235,084)</u>	<u>(368,635)</u>
	<u>1,648,408</u>	<u>62,124</u>	<u>1,710,532</u>
Analysed in Balance Sheet:			
Cash at bank and in hand	2,100,621		2,211,989
Bank overdraft	(318,662)		(132,822)
Loans due within one year	(53,229)		(91,451)
Loans due after one year	(80,322)		(277,184)
	<u>1,648,408</u>		<u>1,710,532</u>

BLUE TRIANGLE (GLASGOW) HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012

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 Housing Providers (2010). 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)

(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, such works encompassing internal and external decoration of the Association's properties and other such cyclical items of a repair and maintenance type.

Insurance Reserve

The reserve is based on the Association's liability to meet the first £5,000 on any claim made under its insurance policy, to cover the cost of the policy excess in such cases where a claim is made against the Association's insurance policy.

Property Refurbishment Reserve

The reserve is based on the Association's liability to meet the cost of Property Refurbishment in respect of properties operated by the Association, to the extent that this will not be met from revenue in the year in which it is incurred, and does not include such items as would ordinarily be capitalised and subsequently depreciated in terms of the Association's depreciation policy.

(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. TANGIBLE FIXED ASSETS	Freehold Housing Properties	Land and Buildings	Motor Vehicles	Furniture & Office Fittings	Equipment	TOTAL
	£	£	£	£	£	£
<u>COST</u>						
At beginning of year	4,259,721	419,935	54,514	118,911	80,375	4,933,456
Additions during year	125,339	-	-	-	-	125,339
Disposals during the year	-	-	-	-	-	-
At end of year	4,385,060	419,935	54,514	118,911	80,375	5,058,795
<u>Housing Association & Other Grants</u>						
At beginning of year	3,250,494	-	-	32,604	52,740	3,335,838
Addition during year	-	-	-	-	-	-
Disposals during year	-	-	-	-	-	-
At end of year	3,250,494	-	-	32,604	52,740	3,335,838
<u>Depreciation</u>						
At beginning of year	-	-	9,526	86,307	27,635	123,468
Provided during year	104,110	-	13,629	-	-	117,739
Eliminated on Disposals	-	-	-	-	-	-
At end of year	104,110	-	23,155	86,307	27,635	241,207
Net Book Value at 31.3.2012	1,030,456	419,935	31,359	-	-	1,481,750
Net Book Value at 31.3.2011	1,009,227	419,935	44,988	-	-	1,474,150

3. DEBTORS	2012	2011
	£	£
Amounts falling due within one year		
Rental Arrears	242,017	244,346
Less provision for bad debts	(25,337)	(21,579)
	216,680	222,767
Other Debtors	89,219	102,640
	305,899	325,407

4. CREDITORS	2012		2011	
	Amounts falling due		Amounts falling due	
	Within One Year	After More Than One Year	Within One Year	After More Than One Year
	£	£	£	£
Bank Overdraft	132,822	-	318,662	-
Mortgage Accounts	91,451	277,184	53,229	80,322
Other Creditor	76,686	-	110,531	-
Accrued Charges	142,054	-	203,917	-
	443,013	277,184	686,339	80,322

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, 26/30 Bank Street, Kilmarnock and Shore Street Flats and Solas, Oban, comprising three mortgages bearing interest fixed at 5.99% for 10 years, and a loan for 10 years at interest rates of 4.915625% (years 1 to 3), 5.015625% (years 4 to 7) and 5.315625% (years 8 to 10) repayments in respect of these loans are as follows:-

	2012	2011
	£	£
Within one year (included in current liabilities)	91,451	53,229
Between one and two years	75,107	53,229
Between two and five years	114,666	27,093
Between five and ten years	87,411	-
	368,635	133,551

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

5. <u>SHARE CAPITAL</u>	<u>2012</u>	<u>2011</u>
	<u>No.</u>	<u>No.</u>
Shares of £1 each allotted, issued and fully paid		
At 1 April 2011	42	42
Issued during year	-	-
	<u>42</u>	<u>42</u>
Cancelled during year	-	-
At 31 March 2012	<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</u> <u>Maintenance</u> <u>Reserve</u> <u>£</u>	<u>Insurance Reserve</u> <u>£</u>	<u>Major Repairs</u> <u>Reserve</u> <u>£</u>	<u>Property</u> <u>Refurbishment</u> <u>Reserve</u> <u>£</u>	<u>Total</u> <u>£</u>
<u>Designated Reserves</u>					
Provision at beginning of year	306,833	90,321	640,864	-	1,038,018
Transfer from revenue	79,800	-	81,900	-	161,700
	<u>386,633</u>	<u>90,321</u>	<u>722,764</u>	<u>-</u>	<u>1,199,718</u>
Interest on major repairs	-	-	7,281	-	7,281
	<u>386,633</u>	<u>90,321</u>	<u>730,045</u>	<u>-</u>	<u>1,206,999</u>
Utilised during year	(110,061)	-	(37,842)	-	(147,903)
	<u>276,572</u>	<u>90,321</u>	<u>692,203</u>	<u>-</u>	<u>1,059,096</u>
Transfer from Major Repairs	-	-	(692,203)	692,203	-
Provision at end of year	<u>276,572</u>	<u>90,321</u>	<u>-</u>	<u>692,203</u>	<u>1,059,096</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>2012</u>	<u>2011</u>
Turnover is stated after:		
Rent loss from voids	<u>155,307</u>	<u>256,395</u>
Operating costs are stated after:		
Rent losses from bad debts	<u>90,209</u>	<u>103,864</u>

9. INTEREST PAYABLE

	<u>2012</u>	<u>2011</u>
	<u>£</u>	<u>£</u>
Bank Interest	<u>22,832</u>	<u>9,545</u>

10. SURPLUS FOR THE YEAR

The surplus for the year is stated after charging

	<u>2012</u>	<u>2011</u>
	<u>£</u>	<u>£</u>
Director's Remuneration	66,017	63,101
Director's Pension	5,512	5,379
Depreciation	117,739	16,015
Operating lease rentals: land & buildings	506,025	515,411
Auditor remuneration: Audit services	7,920	7,185
Auditor remuneration: Internal audit services	3,600	3,525
Auditor remuneration: Other services pursuant to legislation	1,920	-
Auditor remuneration: Other services	<u>2,760</u>	<u>1,943</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>2012</u>	<u>2011</u>
	£	£
Expiring: within one year	<u>503,200</u>	<u>538,900</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 £11,934 from the South Lanarkshire Rural Partnership.

13. CAPITAL COMMITMENTS

	<u>2012</u>	<u>2011</u>
	£	£
(see also note 1(d) and (g))		
Contracted Less Certified		
HAG Funded	Nil	Nil
Loan Funded/From Existing Funds	Nil	95,590
Authorised by Management Board but		
Not Contracted	<u>Nil</u>	<u>Nil</u>
	<u>Nil</u>	<u>95,590</u>

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

	<u>2012</u>	<u>2011</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 Schedule 7 of the Housing (Scotland) Act 2001 Control of Payments and Benefits.	None	None

15. EMPLOYEES AND EMPLOYEE COSTS

	<u>2012</u>	<u>2011</u>
	No	No
Average number of employees (including part-time and relief workers)	<u>318</u>	<u>310</u>
<u>Employee costs during year</u>	£	£
Wages and salaries	4,858,864	4,896,505
National insurance contributions	413,387	429,779
Other pension costs	<u>124,257</u>	<u>94,494</u>
	<u>5,396,508</u>	<u>5,420,778</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>2012</u>	<u>2011</u>
	£	£
Surplus for the financial year	286,546	207,741
Transfer to designated reserves	<u>(161,700)</u>	<u>(161,661)</u>
	124,846	46,080
Share capital issued	-	-
Net addition to funds	124,846	46,080
Opening funds	<u>2,095,499</u>	<u>2,049,419</u>
	<u>2,220,345</u>	<u>2,095,499</u>
Equity Interest	<u>2,220,345</u>	<u>2,095,499</u>

18. HOUSING STOCK

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

	<u>2012</u>	<u>2011</u>
	No.	No.
Average number of units of special needs accommodation in management during the year was:	<u>124</u>	<u>108</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>2012</u>	<u>2011</u>
	No.	No.
At start of year	<u>250</u>	<u>281</u>
At end of year	<u>257</u>	<u>250</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>2012</u>	<u>2011</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
	2012	2012	2012	2011	2011	2011
	£	£	£	£	£	£
Social Lettings	7,719,278	7,421,465	297,813	7,629,372	7,422,756	206,616
Other Activities	-	-	-	-	-	-
Total	7,719,278	7,421,465	297,813	7,629,372	7,422,756	206,616
Total for previous period of account	7,629,372	7,422,756	206,616	7,926,853	7,569,236	357,617

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	-	7,584,306	-	-	7,584,306	7,572,461
Service Charges	-	-	-	-	-	-
Gross Income from rents and service charges	-	7,584,306	-	-	7,584,306	7,572,461
Less Voids	-	155,307	-	-	155,307	256,395
Net income from rents and service charges	-	7,428,999	-	-	7,428,999	7,316,066
Grants from the Scottish Ministers	-	-	-	-	-	-
Other revenue grants	-	290,279	-	-	290,279	313,306
Total turnover from social letting activities	-	7,719,278	-	-	7,719,278	7,629,372
Management and Maintenance administration costs	-	1,319,190	-	-	1,319,190	1,381,677
Service Costs	-	5,466,740	-	-	5,466,740	5,495,370
Planned and cyclical maintenance including major repairs costs	-	147,903	-	-	147,903	161,661
Reactive maintenance costs	-	293,313	-	-	293,313	280,184
Bad debts - rents and service charges	-	90,209	-	-	90,209	103,864
Depreciation of social housing	-	104,110	-	-	104,110	-
Impairment of social housing	-	-	-	-	-	-
Operating costs for social letting activities	-	7,421,465	-	-	7,421,465	7,422,756
Operating surplus or deficit for social lettings	-	297,813	-	-	297,813	206,616
Operating surplus or deficit for social letting for previous period of account	-	-	-	-	206,616	357,617

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”.