

The logo consists of three nested, downward-pointing triangles. The outermost triangle is a light blue color, the middle one is a slightly darker shade, and the innermost one is the darkest shade. The text is centered within the space between the middle and inner triangles.

BLUE TRIANGLE (GLASGOW)
HOUSING ASSOCIATION LIMITED

ANNUAL REPORT & ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2013

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 2013

MANAGEMENT BOARD MEMBERS:

Mr. J. Maitland (Chairman)
Mr. P. Timpson
Mr. A. E. Harris (Resigned 13 September 2012)
Mr. W. Thompson
Mr. N. Robinson
Mr. H. McIntosh (Resigned 28 March 2013)
Mr. J. McKenzie
Mr. K. Small (Resigned 17 May 2012)
Mr. J. McRitchie
Mr. D. Brown
Mr. S. Dryburgh (elected 2 August 2012)
Mr. S.I. McIvor (Co-opted 1 November 2012)
Ms. D. McGuire (Co-opted 1 November 2012)
Ms. F. Lees (Co-opted 13 December 2012)

CHIEF EXECUTIVE

Fiona E. Stringfellow

REGISTERED OFFICE:

3rd 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
Renfrew
PA4 8WF

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, 2013

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Blue Triangle (Glasgow) Housing Association Limited

Chairman's Statement

The accounts for the year to 31 March 2013 show an income surplus of £178,516 (2012 - £138,643) prior to reserve movements for property refurbishment and cyclical maintenance, and the balance sheet of the Association show net assets of £3,457,956 (2012 - £3,279,441).

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 continuing effect of the economic recession, resulting in uncertainties about local authority funding, together with the UK Government changes to Housing Benefit in April 2013, made forward financial and operational planning difficult.

In response to this uncertain environment the Association carried out a business planning exercise and with the assistance of consultants has embarked upon a business diversification agenda designed to secure and protect, as far as possible, current revenue streams and open up new revenue earning opportunities.

Among the several new areas identified, the existing in-house maintenance section has been expanded to include a Handyperson Service and properties in Kilmarnock have been purchased, from the Association's own cash resources, to replace properties leased from local housing Associations.

The Association successfully tendered for the provision of a supported accommodation service accommodating twenty three service users over two locations in South Lanarkshire and also first stop accommodation and outreach support for families and pregnant females, also in South Lanarkshire. The first service commenced during the financial year and the second commenced shortly after the year end, and join the expanding number of support services being delivered across nine local authority areas in Scotland.

For the first time in a number of years, several of our service users have taken part in Raleigh International projects abroad, self-funded, and many more have moved on to independent living. However, our client group across all our local authority areas reflects an increasing trend for those with much more challenging needs to come through the system into our projects. This is an outcome of the local authorities implementing "Housing Options" approaches which enables those with less challenging needs to be assisted to resolve their housing problems without recourse to a homeless presentation. We have found that this presents challenges to our staff teams in working with individuals with complex needs to not only obtain more stable accommodation, but also to ensure that they maintain their accommodation on a long term basis. As part of our approach to help our service users sustain their accommodation we have piloted a "My New Home" course which prepares service users for their tenancy and its obligations, and we hope to roll this out in future years.

The regulatory bodies who monitor our service provision continue to recognise the high levels of professionalism and support provided by our staff and the Association continues to achieve a high success rate in supporting our homelessness service users towards independent living. This is reflected in the Association securing the Silver Award from Investors in People.

I would wish to thank the Management Board and the Committees for all their work and also our Chief Executive, her executive team and support and office staff for their effort and commitment.

J. Maitland

Chairman.

18 July 2013



Blue Triangle (Glasgow) Housing Association Limited

Annual Report of the Management Board

For the Year Ended 31 March 2013

The Management Board submits its thirty seventh Annual Report and the Audited Accounts for the year ended 31 March 2013.

MANAGEMENT BOARD

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

- ▼ Mr. A.E. Harris, elected 28 July 2011(Resigned 13 September 2012)
- ▼ Mr. P. Timpson, elected 28 July 2011
- ▼ Mr. J. Maitland, elected 28 July 2011
- ▼ Mr. W. Thompson, elected 28 July 2011
- ▼ Mr. N. Robinson, elected 2 August 2012
- ▼ Mr. H. McIntosh, elected 2 August 2012 (Resigned 28 March 2013)
- ▼ Mr. K. Small, elected 24 June 2010 (Resigned 17 May 2012)
- ▼ Mr. J. McKenzie, elected 2 August 2012
- ▼ Mr. J. McRitchie, elected 24 June 2010
- ▼ Mr. D. Brown, elected 24 June 2010
- ▼ Mr. S Dryburgh, elected 2 August 2012
- ▼ Mr. S.I. Mclvor (Co-opted 1 November 2012)
- ▼ Ms. D. McGuire (Co-opted 1 November 2012)
- ▼ Ms. F. Lees (Co-opted 13 December 2012)

RECRUITMENT AND APPOINTMENT OF MANAGEMENT BOARD

At the Annual General Meeting in accordance with the rules of the Association Mr. J McRitchie, Mr. D Brown, and Mr. P. Timpson retire by rotation and Mr. J McRitchie, Mr. D Brown, and Mr. P. Timpson, offer themselves for re-election. Mr. S.I. Mclvor, Ms. D. McGuire and Ms. F Lees being co-opted during the year offer themselves for 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 DIRECTORS

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

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 3 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

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;

- ▼ Shettleston Road, Glasgow, which accommodates eight persons (2012 – 8)
- ▼ Holland Street and Sauchiehall Street, Glasgow, which accommodates forty-seven persons (2012 - 47)
- ▼ Chalmers Court, (Charlotte Street, Ayr), which accommodates twelve persons (2012 - 12),
- ▼ Glasgow Floating Support, which accommodates eight persons (2012 – 8)
- ▼ Bruce Court, Paisley, which accommodates twelve persons (2012 – 12)
- ▼ Somerset Place, Glasgow, which accommodates eight persons (2012 - 8)
- ▼ Viewpark, (Old Edinburgh Road, Uddingston), which accommodates twelve persons (2012 - 12)
- ▼ Greenside House, Lanark, which accommodates fourteen persons (2012 – 12)
- ▼ Bank Street, Kilmarnock, which accommodates eight persons (2012 – 10)
- ▼ Clydesdale Street, Hamilton, which accommodates thirteen persons (2012 – 13)
- ▼ Braehead, Bonhill, which accommodates eight persons (2012 – 8)
- ▼ Alexander Street, Clydebank, which accommodates thirteen persons (2012 – 13)
- ▼ Millhill, Musselburgh, which accommodates nine persons (2012 – 9)
- ▼ Shore Street, Oban, which accommodates fifteen persons (2012 – 15)
- ▼ Solas, Oban, which accommodates five persons (2012 – 5)
- ▼ Wemyss House, Port Seton, which accommodates seven persons (2012 – 7)
- ▼ High Street, Musselburgh, which accommodates five persons (2012 – 5)
- ▼ Lorn Court, Oban, which accommodates six persons (2012 – 6)
- ▼ Don Mor Lodge, Oban, which accommodates six persons (2012 – 6)
- ▼ Victoria Drive East, Renfrew, which accommodates seventeen persons (2012 – 17)
- ▼ Argyle Street, Paisley, which accommodates eleven persons (2012 – 11)
- ▼ Alexander Street, Alexandria, which accommodates ten persons (2012 – 10)
- ▼ Millknowe, Campbeltown, which accommodates three persons (2012 – 3)
- ▼ Charles Brownlie Services Hamilton and Blantyre which accommodate twenty three persons (2012 – N/A)

The Association has received grants from The Scottish Government for capital expenditure together with revenue grants and Community Care monies from Glasgow City Council, and revenue grants from South Lanarkshire 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

FINANCIAL REVIEW

The Management Board is pleased to report turnover in the year of £7,506,806 (2012:£7,719,278), and the surplus for the year of £178,516 (2012:£138,643) 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:

	31.3.2013	1.4.2012
Mrs F E Stringfellow	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

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

One share was cancelled during the year and no shares were issued during the year (2012-0).

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:

- there is no relevant information of which the Association's Auditors are unaware and
- 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

After a tender exercise, a resolution for appointment of Scott-Moncrieff Chartered Accountants will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Management Board.

J MAITLAND

Chairman.

Dated: 18 July 2013



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 2013 on pages eight to twenty. 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 2010, and the Determination of Accounting Requirements – April 2012.

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 company's affairs as at 31 March 2013 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Housing (Scotland) Act 2010, and the Determination of Accounting Requirements – April 2012.

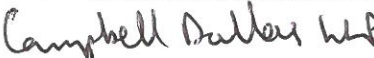
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require 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

Renfrew

PA4 8WF

Dated: 19 July 2013



Blue Triangle (Glasgow) Housing Association Limited

Income and Expenditure Account

For the Year Ended 31 March 2013

	NOTES	£	2013 £	£	2012 £
Turnover			7,506,806		7,719,278
Less: Operating Costs – Administration Costs			<u>7,347,261</u>		<u>7,569,368</u>
Operating Surplus			159,545		149,910
Gain on sale of fixed assets			<u>3,336</u>		<u>-</u>
			162,881		149,910
Interest received		32,096		11,565	
Interest payable	9	<u>(16,461)</u>		<u>(22,832)</u>	
			15,635		(11,267)
Surplus for the year	10, 17		<u><u>178,516</u></u>		<u><u>138,643</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 20 form part of these financial statements.



Blue Triangle (Glasgow) Housing Association Limited

Balance Sheet

As at 31 March 2013

	Notes	<u>2013</u>		<u>2012</u>	
		£	£	£	£
<u>TANGIBLE FIXED ASSETS</u>					
Housing properties – depreciated cost	2		4,366,189		4,280,950
Less: Housing Association Grant			<u>(3,250,494)</u>		<u>(3,250,494)</u>
			1,115,695		1,030,456
Land and Buildings			419,935		419,935
Others – Furniture & Fittings, Office Equipment & Motor Vehicles	2		<u>54,849</u>		<u>31,359</u>
			1,590,479		1,481,750
<u>TOTAL FIXED ASSETS</u>					
<u>CURRENT ASSETS</u>					
Debtors	3	398,319		305,899	
Cash and Bank Balances		<u>2,138,424</u>		<u>2,211,989</u>	
		2,536,743		2,517,888	
<u>CURRENT LIABILITIES</u>					
Creditors: Amounts falling due within one year	4	<u>(438,595)</u>		<u>(443,013)</u>	
NET CURRENT ASSETS			<u>2,098,148</u>		<u>2,074,875</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			<u>3,688,627</u>		<u>3,556,625</u>
<u>CREDITORS: Amounts falling due after more than one year</u>	4		<u>(230,671)</u>		<u>(277,184)</u>
NET ASSETS			<u>3,457,956</u>		<u>3,279,441</u>
<u>CAPITAL AND RESERVES</u>					
SHARE CAPITAL	5		41		42
DESIGNATED RESERVES	6		1,130,347		1,059,096
REVENUE RESERVES	17		<u>2,327,568</u>		<u>2,220,303</u>
			<u>3,457,956</u>		<u>3,279,441</u>

The financial statements were approved by the Management Board and were signed on its behalf on 18 July 2013 by:


J. MAITLAND, Chairman



N. ROBINSON, Convener, Finance Committee



F. E. STRINGFELLOW, Chief Executive

The notes on page 12 to 20 form part of these financial statements



Blue Triangle (Glasgow) Housing Association Limited

Cash Flow Statement

For the Year Ended 31 March 2013

	Notes	2013 £	2012 £
Net cash inflow from operating activities	1	92,903	191,924
Returns on investments and servicing of finance	2	16,063	(4,461)
Capital Expenditure	2	<u>(136,946)</u> (27,980)	<u>(125,339)</u> 62,124
Finance	2	<u>(111,847)</u>	<u>235,084</u>
(Decrease)/Increase in cash in the period		<u>(139,827)</u>	<u>297,208</u>
Reconciliation of net cash flow to movement in net debt:			
(Decrease) /Increase in cash in the period		(139,827)	297,208
Change in net debt		111,846	(235,084)
Net cash funds at 1 April 2012		<u>1,710,532</u>	<u>1,648,408</u>
Net cash funds at 31 March 2013		<u>1,682,551</u>	<u>1,710,532</u>
1 Reconciliation of operating surplus to net cash inflow from operating activities:-			
Operating surplus		162,881	149,910
(Gain) on sale of fixed assets		(3,336)	-
Depreciation charges		31,553	117,739
(Increase)/Decrease in Debtors		(93,318)	21,333
(Decrease) in Creditors		<u>(4,877)</u>	<u>(97,058)</u>
Net cash inflow from operating activities		<u>92,903</u>	<u>191,924</u>
2 Analysis of cash flows for headings netted in the cash flow statement			
Returns on investments and servicing of finance:			
Interest received		32,994	17,021
Interest paid		<u>(16,931)</u>	<u>(21,482)</u>
Net cash inflow for returns on investments and servicing of Finance		<u>16,063</u>	<u>(4,461)</u>
Capital Expenditure:			
Purchase and refurbishment of properties		(101,912)	(125,339)
Purchase of other fixed assets		(56,524)	-
HAG and other grants		-	-
Sale of Assets		21,490	-
Net cash outflow for capital expenditure		<u>(136,946)</u>	<u>(125,339)</u>
Financing:			
Share Cancelled		(1)	-
Loans advanced		-	300,000
Loans repaid		<u>(111,846)</u>	<u>(64,916)</u>
Net cash (outflow)/inflow from financing		<u>(111,847)</u>	<u>235,084</u>



Blue Triangle (Glasgow) Housing Association Limited

3. Analysis of changes in net debt:

	At 1 April 2012	Cash Flow	At 31 March 2013
	£	£	£
Net Cash			
Cash at bank	2,211,989	(73,565)	2,138,424
Bank overdrafts	<u>(132,822)</u>	<u>(66,262)</u>	<u>(199,084)</u>
	<u>2,079,167</u>	<u>(139,827)</u>	<u>1,939,340</u>
Debts due < 1 year	(91,451)	65,333	(26,118)
Debts due > 1 year	<u>(277,184)</u>	<u>46,513</u>	<u>(230,671)</u>
	<u>(368,635)</u>	<u>111,846</u>	<u>(256,789)</u>
	<u>1,710,532</u>	<u>(27,981)</u>	<u>1,682,551</u>
Analysed in Balance Sheet:			
Cash at bank and in hand	2,211,989		2,138,424
Bank overdraft	(132,822)		(199,084)
Loans due within one year	(91,451)		(26,118)
Loans due after one year	<u>(277,184)</u>		<u>(230,671)</u>
	<u>1,710,532</u>		<u>1,682,551</u>



Blue Triangle (Glasgow) Housing Association Limited

Notes to the Accounts for the Year Ended 31 March 2013

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 Determination of Accounting Requirements – April 2012.

(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 the income and expenditure account so as to match the related costs.

(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.



Blue Triangle (Glasgow) Housing Association Limited

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

Freehold land is not depreciated. Depreciation is charged so as to write down the cost (net of social housing grant) of freehold housing properties other than freehold land to their estimated residual value on the straight line basis over their expected useful economic lives at the following annual rates:

Housing properties:

Supported housing 2.00% /4.00%/ 6.66% per components below

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, at the following annual rates:

Structure	50 years
Roofs	50 years
Windows	25 years
Bathrooms	25 years
Kitchens	15 years
Boilers	15 years
Radiators	25 years

(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.

(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.



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(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 the 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.

2. TANGIBLE FIXED ASSETS	Freehold Housing Properties	Land and Buildings	Motor Vehicles	Furniture & Office Fittings	Equipment	TOTAL
	£	£	£	£	£	£
COST						
At beginning of year	4,385,060	419,935	54,514	118,911	80,375	5,058,795
Additions during year	101,912	-	56,524	-	-	158,436
Disposals during the year	-	-	(41,495)	-	-	(41,495)
At end of year	4,486,972	419,935	69,543	118,911	80,375	5,175,736
Housing Association & Other Grants						
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
Depreciation						
At beginning of year	104,110	-	23,155	86,307	27,635	241,207
Provided during year	16,673	-	14,880	-	-	31,553
Eliminated on Disposals	-	-	(23,341)	-	-	(23,341)
At end of year	120,783	-	14,694	86,307	27,635	249,419
Net Book Value at 31.3.2013	1,115,695	419,935	54,849	-	-	1,590,479
Net Book Value at 31.3.2012	1,030,456	419,935	31,359	-	-	1,481,750

3. DEBTORS	2013	2012
	£	£
Amounts falling due within one year		
Rental Arrears	288,858	242,017
Less provision for bad debts	(23,388)	(25,337)
	265,470	216,680
Other Debtors	132,849	89,219
	398,319	305,899

4. CREDITORS	2013		2012	
	Within One Year	After More Than One Year	Within One Year	After More Than One Year
	£	£	£	£
Bank Overdraft	199,084	-	132,822	-
Mortgage Accounts	26,118	230,671	91,451	277,184
Other Creditor	53,983	-	76,686	-
Accrued Charges	159,410	-	142,054	-
	438,595	230,671	443,013	277,184



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The Association's borrowings from the Royal Bank of Scotland Plc are secured on the subjects at 23/25 Clydesdale Street, Hamilton, 26/30 Bank Street, Kilmarnock and Shore Street Flats and Solas, Oban, comprising one mortgage being 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 this loan are as follows:-

	<u>2013</u>	<u>2012</u>
	£	£
Within one year (included in current liabilities)	26,118	91,451
Between one and two years	27,192	75,107
Between two and five years	90,082	114,666
Between five and ten years	113,397	87,411
	<u>256,789</u>	<u>368,635</u>

5. SHARE CAPITAL	<u>2013</u>	<u>2012</u>
	<u>No.</u>	<u>No.</u>
Shares of £1 each allotted, issued and fully paid		
At 1 April 2012	42	42
Issued during year	-	-
	<u>42</u>	<u>42</u>
Cancelled during year	1	-
At 31 March 2013	<u>41</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. During the year one share was cancelled (2012-0).

6. DESIGNATED RESERVES

	<u>Cyclical Maintenance Reserve</u>	<u>Insurance Reserve</u>	<u>Property Refurbishment Reserve</u>	<u>Total</u>
	£	£	£	£
<u>Designated Reserves</u>				
At beginning of year	276,572	90,321	692,203	1,059,096
Transfer from revenue	(10,049)	2,400	78,900	71,251
At end of year	<u>266,523</u>	<u>92,721</u>	<u>771,103</u>	<u>1,130,347</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>2013</u>	<u>2012</u>
	£	£
Turnover is stated after:		
Rent loss from voids	<u>198,396</u>	<u>155,307</u>
Operating costs are stated after:		
Rent losses from bad debts	<u>86,754</u>	<u>90,209</u>

9. INTEREST PAYABLE

	<u>2013</u>	<u>2012</u>
	£	£
Bank Interest	<u>16,461</u>	<u>22,832</u>



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10. SURPLUS FOR THE YEAR

The surplus for the year is stated after charging

	<u>2013</u>	<u>2012</u>
	£	£
Director's Remuneration	67,586	66,017
Director's Pension	5,646	5,512
Depreciation	31,553	117,739
Operating lease rentals: land & buildings	504,474	506,025
Auditor remuneration: Audit services	8,040	7,920
Auditor remuneration: Internal audit services	3,000	3,600
Auditor remuneration: Other services pursuant to legislation	-	1,920
Auditor remuneration: Other services	<u>1,566</u>	<u>2,760</u>

11. OBLIGATIONS UNDER LEASE CONTRACTS

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

	Land & Buildings	
	<u>2013</u>	<u>2012</u>
	£	£
Expiring: within one year	<u>513,700</u>	<u>503,200</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>2013</u>	<u>2012</u>
	£	£
(see also note 1(d) and (g))		
Contracted Less Certified		
HAG Funded	Nil	Nil
Loan Funded/From Existing Funds	Nil	Nil
Authorised by Management Board		
but		
Not Contracted	<u>83,000</u>	<u>Nil</u>
	<u>83,000</u>	<u>Nil</u>

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

	<u>2013</u>	<u>2012</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	78	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 2010 Control of Payments and Benefits.	None	None

15. EMPLOYEES AND EMPLOYEE COSTS

	<u>2013</u>	<u>2012</u>
	No	No
Average number of employees (including part-time and relief workers)	<u>297</u>	<u>318</u>
<u>Employee costs during year</u>	£	£
Wages and salaries	4,801,920	4,858,864
National insurance contributions	387,704	413,387
Other pension costs	111,963	124,257
	<u>5,301,587</u>	<u>5,396,508</u>



Blue Triangle (Glasgow) Housing Association Limited

16. LEGISLATIVE PROVISIONS

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

17. RECONCILIATION OF MOVEMENTS IN FUNDS

	<u>2013</u> £	<u>2012</u> £
Surplus for the financial year	178,516	138,643
Transfer to designated reserves	<u>(71,251)</u>	<u>(13,797)</u>
	107,265	124,846
Share capital cancelled	<u>(1)</u>	-
Net addition to funds	107,264	124,846
Opening funds	<u>2,220,345</u>	<u>2,095,499</u>
	<u>2,327,609</u>	<u>2,220,345</u>
Equity Interest	<u>2,327,609</u>	<u>2,220,345</u>

18. HOUSING STOCK

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

	<u>2013</u> No.	<u>2012</u> No.
Average number of units of special needs accommodation in management during the year was:	<u>124</u>	<u>124</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>2013</u> No.	<u>2012</u> No.
At start of year	<u>257</u>	<u>250</u>
At end of year	<u>280</u>	<u>257</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>2013</u> No.	<u>2012</u> 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 which pays 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

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
	2013	2013	2013	2012	2012	2012
	£	£	£	£	£	£
Social Lettings	7,506,806	7,347,261	159,545	7,719,278	7,569,368	149,910
Other Activities	-	-	-	-	-	-
Total	7,506,806	7,347,261	159,545	7,719,278	7,569,368	149,910
Total for previous period of account	7,719,278	7,569,368	149,910	7,629,372	7,557,757	71,615



Blue Triangle (Glasgow) Housing Association Limited

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	-	7,483,864	-	-	7,483,864	7,584,306
Service Charges	-	-	-	-	-	-
Gross Income from rents and service charges	-	7,483,864	-	-	7,483,864	7,584,306
Less Voids	-	198,396	-	-	198,396	155,307
Net income from rents and service charges	-	7,285,468	-	-	7,285,468	7,428,999
Grants from the Scottish Ministers	-	-	-	-	-	-
Other revenue grants	-	221,338	-	-	221,338	290,279
Total turnover from social letting activities	-	7,506,806	-	-	7,506,806	7,719,278
Management and Maintenance administration costs	-	1,271,053	-	-	1,271,053	1,228,981
Service Costs	-	5,560,843	-	-	5,560,843	5,635,873
Planned and cyclical maintenance including major repairs costs	-	115,349	-	-	115,349	147,903
Reactive maintenance costs	-	296,589	-	-	296,589	362,292
Bad debts - rents and service charges	-	86,754	-	-	86,754	90,209
Depreciation of social housing	-	16,673	-	-	16,673	104,110
Impairment of social housing	-	-	-	-	-	-
Operating costs for social letting activities	-	7,347,261	-	-	7,347,261	7,569,368
Operating surplus or deficit for social lettings	-	159,545	-	-	159,545	149,910
Operating surplus or deficit for social letting for previous period of account	-	-	-	-	149,910	71,615



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

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	-	-	-	-	-	-	-	-	-