



CASTLE ROCK EDINVAR
HOUSING ASSOCIATION

Financial Statements
Year ended 31 March 2013

Scottish Charity number SC006035

Industrial Provident Society number 1767R(S)

CONTENTS

- 2 Board of Management, Executives and Advisors
- 3 Operating Review
- 12 Report of the Independent Auditor
- 13 Income and Expenditure Account
- 14 Balance Sheet
- 15 Cash Flow Statement
- 16 Notes to the Financial Statements

Board of Management

David Fraser	(Chair)
Martin Gill	
Neil Miller	
Brian Elliott	
William Wood	
Anna Evans	
David Cowans	(resigned 27.11.12)
Mohindra Dhall MBE	
Paula McLeay	
David Robertson	
Cathy Garner	
Simran Soln	(appointed 27.11.12)

Executives

Managing Director	Allister Steele
Deputy Managing Director & Head of Housing Services	Sandy Welsh
Head of Property Services	Chris Thomson
Head of Neighbourhood Regeneration	Heather Macnaughton

Company Secretary	Chris Martin
Registered Office	1 Hay Avenue Craigmillar Edinburgh EH16 4RW

Advisors

Solicitors	T C Young Melrose House 69a George Street Edinburgh EH2 2JG
-------------------	---

Bankers	Co-operative Bank 147 Church Street Preston PR1 3UD
----------------	--

Registered Auditors	KPMG LLP Arlington Business Park Theale Reading RG7 4SD
----------------------------	---

Registration of the Association

Castle Rock Edinvar Housing Association is a Registered Social landlord (HEP106) and is incorporated under the Industrial and Provident Societies Act 1965 (Registered Number 1767R(S)). It also has charitable status (Scottish Charity No. SC006035).

The Places for People Group is registered under the Housing and Regeneration Act 2008 (number L4236) and under the Companies Act (number 3777037). It is also affiliated to the National Housing Federation.

The Board is pleased to present its report and audited accounts for the year ended 31 March 2013.

Castle Rock Edinvar is part of the Places for People Group.

Principal activities of the Places for People Group

Places for People Group ("the Group") is a property development and management group. It has specialist companies that provide housing for affordable rent, market rent and sale, commercial property, residential letting, financial services, care and support services, leisure management and regeneration products. Each of these activities can be delivered independently where required. What distinguishes it from its competitors is its ability to both develop and manage our neighbourhoods on a long term sustainable basis. It believes that putting new or redeveloped housing and support infrastructure in place is only the beginning. By combining the services provided by the Group with the skills of its staff and its financial strength, the Group is able to produce solutions which in other settings would require a whole range of private/public partnerships and different funding arrangements.

Places for People's vision and mission

Places for People's vision is "working to provide aspirational homes and inspirational places".

The Group's statement of mission is "ensuring successful places and enabling people to reach their potential" which encapsulates our long term commitment to our neighbourhoods and their future sustainability.

Castle Rock Edinvar and our subsidiary organisations play a key role in delivering the Group's business objectives in Scotland.

Principal activities of Castle Rock Edinvar

Castle Rock Edinvar is a Scottish RSL and Scottish Charity and operates with two subsidiaries, Places for People Scotland Care and Support Limited (PfPSC&S) and Places for People Scotland Limited (formerly Lothian Homes Limited). We are based in Edinburgh and at 31 March 2013 we owned and managed 6,339 rented and shared ownership homes across eight local authority areas in Central Scotland.

We are a leading Scottish RSL both in scale and significance and considered by the Scottish Housing Regulator as being of systemic importance. The turnover of Castle Rock Edinvar from letting activities was £24.1 million in 2012/13 and sales of property amounted to £476k. The combined turnover for the year including our subsidiaries was £39.0 million.

Castle Rock Edinvar's medium term strategic priorities will be:

- To increase the supply of new housing to provide increased housing opportunities and support economic growth.
- To increasingly provide housing for a broad range of income groups and develop solutions which address market failure.
- To provide excellence and value for money in the provision of customer services.
- To provide appropriate personalised advice and support to our most vulnerable customers to enable them to sustain tenancies and participate effectively in their communities.
- To create and develop neighbourhoods where people will choose to live.
- To take advantage of emerging opportunities to extend existing work with local communities, local authorities and health boards to provide a broad range of service (preventative health, care and support, employment and training and financial inclusion) integrated at the community level.
- To extend our business model to operate efficiently on a wider geographical basis.
- To improve profitability and operate with a commercial return on capital investment.

Castle Rock Edinvar's priorities in 2013/14 will be to:

Customer Service Excellence.

Continue to improve and develop our core customer services to meet the expectations of customers and other stakeholders in a changing policy environment, specifically, we will assess our performance against the Scottish Social Housing Charter (SSHC) and the specific Castle Rock Edinvar Customer Charter.

Customer Service Growth.

Continue to diversify and grow services we provide to individual customers and other businesses on a profitable basis.

Housing Opportunities

Continue to develop and provide access to a range of housing opportunities for rent and sale.

Place Management

Bring together development, asset management and community investment activity in neighbourhoods to maximise our impact in communities, specifically, we will ensure our stock meets the Scottish Housing Quality Standard (SHQS).

Future New Supply

Secure a position with strategic partners to secure a medium term programme of new housing supply which provides a commercial return on capital investment and leverages our assets to realise re-investment value to support the provision of new homes.

Community Energy

Develop a community energy strategy which links investment in renewable generation with reducing fuel poverty in our customer base.

Collaboration and Partnerships

Develop partnerships with other successful organisations as a key element of extending our business model and approach.

Marketing and Communications

Develop our marketing, communications and brand architecture to ensure that Castle Rock Edinvar as part of Places for People is regarded as a leader in the housing sector.

Governance and People

Develop our governance and people strategies to ensure that we have the necessary leadership, skills and experience at all levels of the organisation.

Principal markets and associated risks

Castle Rock Edinvar's principal market is in the social rented housing sector which accounts for most of the total turnover. Properties include housing and apartments for families, couples and single people and housing specifically designed for older people. Complementary activities include shared ownership, neighbourhood regeneration and lettings of non residential property.

The key financial challenges identified in implementing the strategic priorities

The Board has identified the following risks:

- Managing the impact of changes in Government Policy.
- Responding to Welfare Reforms which will impact on the Housing benefit system and our main income stream.
- Responding to public expenditure cuts which will impact on our development programme, neighbourhood services and support services.
- Managing our current exposure to variable interest rates to optimise the balance between the short term benefits and longer term risks.
- Managing the pension scheme liability to pay the debt on withdrawal if there are no active members and the cost of not reaching agreement on a transfer out of the Scottish Housing Association Pension Scheme.
- Changing demand for housing and commercial properties.
- Potential constitutional change.

The Board and Senior Management have developed a Risk Map in accordance with Group procedures to evaluate each of these risks.

Income and expenditure for the year

The turnover from letting activities for the year ended 31 March 2013 was £24.1 million (2012: £22.1 million). New development property sales for the year ended March 2013 were £0.5 million (2012: £6.0 million) (Note 4).

The total revenue and capitalised expenditure, including property services overheads, on repairs and improvements during the year amounted to £8.5 million (2012: £9.3 million).

Castle Rock Edinvar continues to benefit from low interest rates. The interest payable for the year ended 31 March 2013 decreased from £1.5 million in the previous year to £1.4 million in the current year. This represented an average interest rate of 2.13% per annum.

During the year to 31 March 2013 Castle Rock Edinvar sold no properties for rent to other Registered Social Landlords (2012: 31 properties) and sold 11 shared ownership properties amounting to £0.5 million (2012: 42 properties).

The surplus for the year was £9.6 million (2012: £7.1 million). The reserves carried forward at 31 March 2013 were £49.6 million (2012: £40.1 million) which are fully invested in housing properties. More details of other income and expenditure are included in notes 2 to 4 to these accounts.

Balance sheet at March 2013

The depreciated cost of the Castle Rock Edinvar's housing assets at March 2013 was £342.2 million (2012: £332.0 million). These have been funded from Housing Association Grant (HAG) and other capital grants of £229.1 million (67%), loans of £64.0 million (19%) and the association's own resources of £49.1

Operational performance for the year

Operational performance is monitored through a number of key performance indicators (KPI's) covering customers, efficiency and our organisation.

These include rent collected as a percentage of rent due, current tenant arrears as a percentage of rent, average re-let time, void losses as a percentage of rent due and the performance of the repairs service.

The table below charts the progress of the association's key performance indicators over the last two financial years. Unless specified, the performance indicators show the position as at 31 March 2013.

Performance indicators	2012/13	2011/12
Repairs & gas servicing		
Emergency repairs (of all emergency repairs notified in the year, the number completed within 24 hours as a % of all emergency repairs completed in the period)	99.57%	99.27%
Urgent repairs (of all urgent repairs notified in the year, the number completed within 7 days as a % of all urgent repairs completed in the period)	99.17%	98.70%
Routine repairs (of all routine repair notified in the year, the number completed within 28 days as a % of all routine repairs completed in the period)	99.62%	98.47%
Customer's satisfaction rating with repairs	96.30%	86.00%
Gas Servicing (% of properties with a current CP12)	100.00%	100.00%
Total rent arrears	3.94%	4.10%
Voids		
Operational void loss	0.46%	0.52%
Total voids	0.55%	0.66%
Rents		
Rent collected (rent received as a % of rent charged to date).	100.33%	100.32%
Completions		
Affordable rent	56 units	91 units
Shared ownership	0 units	46 units
Diversity		
Lettings (bme lettings as a % of the total annual lettings)	4.40%	6.39%
Staff (bme staff as a % of total staff)	1.20%	1.82%
Staff		
Absence (% of absenteeism)	1.90%	2.67%
Turnover	12.45%	13.35%

Future developments and initiatives

Castle Rock Edinvar completed 56 affordable rented properties during the year to 31 March 2013 (2012: 91 rented properties and 46 shared ownership properties).

Castle Rock Edinvar will complete a further 54 rented and 20 shared ownership by the end of March 2014. Capital expenditure contracted but not provided in the accounts amounted to £2.9 million (2012: £2.2 million).

Development performance is monitored using a number of indicators covering profitability of schemes, cost control, development pipeline and the management of working capital.

Castle Rock Edinvar has ownership of or is in control of land to ensure continued growth through the development of new stock subject to the availability of grant funding and new borrowings which will form part of Places for People Group's overall capital investment strategy.

Donations

Castle Rock Edinvar did not receive any gift aid during the year ended 31 March 2013 (2012: nil). During the year Castle Rock Edinvar made £7,572 (2012: £10,000) donations to community groups within the neighbourhoods the Association operates in.

Other funding

With the support this year of £148,471 from the Big Lottery Fund we have been able to continue the Money Matters project providing money and debt advice to both our customers and those of 4 other housing associations in Edinburgh.

The Environment and Corporate Social Responsibility

The Board recognises the need to develop its business in a sustainable manner; i.e. the business is developed to meet the needs of the present without compromising the ability of future generations to meet their own needs. We recognise that there are physical limits to the resources of the Earth (both in terms of generating materials and absorbing waste), and that any business activity that exceeds these limits is, by definition, unsustainable in the long term. In addition to making effective use of natural resources and enhancing the environment, we also believe that to achieve short and long term sustainability we need to promote social cohesion and inclusion and strengthen economic prosperity in the communities in which we work. Places for People has been accredited with ISO 14001 and has been awarded the highest platinum status in Business in the Community's (BITC) Corporate Responsibility Index (CRI).

Employment

During the year ended 31 March 2013 the average number of people employed, expressed as full time equivalents, was 150 (2012: 144). At 31 March 2013 the actual number of people employed was 168 (2012: 164). Employee information is stated in note 6 to these accounts.

Castle Rock Edinvar is keen to support the development of new talent within our organisation and provide opportunities for people, particularly young people, who are currently not in employment or training. With the support of SCVO we have been able to provide Community Jobs Funded work placements for 12 young people and 4 supported trainee placements in 2013. We have received grants of £37,367 during the year.

The Board considers that employee involvement is essential to its continuing success and uses a variety of methods to inform, consult and involve its employees. In addition, the Group has a comprehensive learning and development policy and holds the Investors in People accreditation.

Employee engagement

The Places for People Group participate in a regular staff survey. The last survey was administered by the Survey Initiative in February 2012. The feedback obtained in this survey was used to develop actions plans at a team and organisational level, to identify practical ways that we can improve staff morale, increase staff retention and make this a Better Place to work. Castle Rock Edinvar have an employee forum – the Better Place to Work Focus Group – which allows staff suggestions to be brought forward between the formal surveys.

Equality and diversity

The Board is committed to achieving equality through diversity and its policies and strategies recognise that all people have the right to their own distinctive and diverse identity. The Board recognises that it has the power to reduce the disadvantages that people experience by making services more responsive to all communities and individual needs. The Board also recognises its responsibility to meet these diverse needs by having a diverse workforce, which generally reflects local populations and has the skills and understanding to achieve the service objectives. The Board has taken positive steps to adopt good policy and practice in employing people with disabilities.

Pension funds

The Scottish Housing Associations' Pension Scheme (the Scheme) is closed to new employees. All new employees joining Castle Rock Edinvar now have the option of joining a Stakeholder scheme to which the Association contributes.

The Board is aware of the liability to pay a contribution to the Scheme if it was to withdraw completely from the scheme. The estimated liability of each employer's potential debt on withdrawal from the Scheme has been calculated at 30 September 2012. The amount of employer debt on withdrawal for Castle Rock Edinvar has decreased from £20.4 million (2011) to £19.7 million (2012). The Board is also aware that under current arrangements Castle Rock Edinvar would cease to be a member of the Pension Scheme if there were no active staff members. The Board will review the Pension Strategy in 2013/14. More details of the scheme are included in note 21.

Health and safety

The Board takes very seriously its responsibilities on all matters relating to health and safety. There is a standing working group chaired by the Managing Director that meets to ensure all aspects of health and safety are covered. The working group is supported and advised by the Group Health and Safety staff. During the year the Group has continued to update its health and safety policies and provide staff training and education on health and safety matters and was awarded the British Safety Council five star ratings and the Royal Society for the Prevention of Accidents Gold Award.

Treasury management

Castle Rock Edinvar's borrowings decreased throughout the year from £66.6 to £63.8 million at March 2013. The ratio of net loans to housing asset costs was 18% (2012: 20%) which is within the strategy target maximum of 50%. The improvement in the ratio allows the Board to continue an effective response to the key financial challenges outlined on page 5.

The Board regularly reviews treasury management. The Group's policy is to retain minimal cash whilst ensuring that sufficient loan facilities are available and immediately accessible to finance a minimum of one year's cash flow. Cash projections cover a 3 year period to continuously monitor future borrowing requirements.

During the year the percentage of loans arranged at fixed interest rates increased from 28.8% to 29.2%. The ratio of fixed and variable rates are reviewed daily to ensure that Castle Rock Edinvar borrows at the best rates.

The effect of a 1% increase in variable interest rates would cost Castle Rock Edinvar an additional £482,500 per annum in additional interest charges.

The Board

Responsibility for Castle Rock Edinvar's activities rests with the Board. The Board is responsible for setting strategies and policies for the Association and co-ordinating the Association's activities under an Independence and Responsibility Agreement with the Group. These agreements enable the Board to control the Association and are the basis of the legal structure.

Details of the Board members can be found listed on page 2 of these accounts. The Board has a range of skills and experience which meet the of the UK Corporate Governance code. In addition all directors have access to the Company Secretary for advice.

The Board has adopted guidelines for the appointment of directors which have been in place and which have been observed throughout the year. The letters of appointment of all directors are available for inspection at the Association's registered office during normal business hours. Board members are non remunerated and the normal term of office is six years.

One new Board member has been recruited in the year ended 31 March 2013 as representative of the Group. At 31 March 2013 there were no tenant members on the Board

The Board is well equipped to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct that are vital to the success of the Association. Training is provided to ensure that Board members have a duty to exercise reasonable care, skill and diligence; a duty to promote the success of the Association; a duty to act within their powers; a duty to exercise independent judgment; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

The Board has agreed that there should be a reporting framework which would include six formal Board meetings and at least one development meeting each year. The Board Members attendance at Board and Committee meetings, in relation to the number of meetings held, during the year ended 31 March 2013 is set out below.

Board Members		Board Meetings	Audit Committee
David Fraser	Chair	6/6	3/3
Martin Gill		5/6	3/3
Neil Miller		3/6	-
Brian Elliott		6/6	2/2
William Wood		3/6	-
Anna Evans		4/6	-
David Cowans	(resigned 27.11.12)	3/5	-
Mohindra Dhall MBE		5/6	1/1
Paula McLeay		2/6	-
David Robertson		5/6	3/3
Cathy Garner		4/6	-
Simran Soln	(appointed 27.11.12)	1/1	-

Internal control

The Group Board has reviewed the effectiveness of the system of internal control for the year ended 31 March 2013 and up to the date of signing these financial statements. It has not identified any weaknesses which resulted in material losses or contingencies or other uncertainties which require disclosure in the financial statements.

The view of the External Auditor, KPMG LLP

This position in relation to controls which are within the scope of the auditor's terms of engagement is confirmed at the conclusion of each audit. Any issues arising from interim audit work are also reported to the Audit and Risk Committee.

The Group Board has reviewed the effectiveness of the system of internal control for the year ended 31 March 2013, and up to the date of signing these financial statements. It has not identified any weaknesses which resulted in material losses or contingencies or other uncertainties which require disclosure in the financial statements.

Statement of Board to the Auditors

At the time of approval of this report:

- a) so far as the Board is aware, there is no relevant audit information of which the Group's Auditor is unaware, and
- b) the Board has taken all steps that they ought to have taken as a Board in order to make themselves aware of any relevant audit information and to establish that the Group's Auditor is aware of that information.

Statement of Board's responsibilities

The Board is responsible for preparing this report and the financial statements in accordance with applicable law and regulations.

Industrial and Provident Society law requires the Board of Management to prepare financial statements for each financial year. Under those regulations the Board of Management have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that year.

In preparing these financial statements, the Board of Management are required to:

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

The Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its financial statements comply with the Industrial & Provident Societies Acts 1965 to 2003, the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements (Scotland) 2012.

The Board has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board



Chris Martin
Company Secretary

11 June 2013

Independent auditor's report the members of Castle Rock Edinvar Housing Association

We have audited the financial statements of Castle Rock Edinvar Housing Association for the year ended 31 March 2013 set out on pages 13 to 29. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the association's members, as a body, in accordance with section 69 of the Housing (Scotland) Act 2010 and section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board and auditor

As more fully explained in the Statement of Board's Responsibilities set out on page 11, the association's Board is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

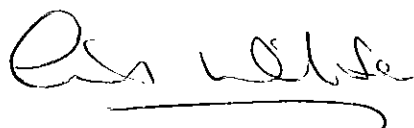
In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of affairs of the association as at 31 March 2013 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 2003, the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2012.

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 2003 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.



Chris Wilson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale
Reading
RG74SD

9 July 2013

Castle Rock Edinvar Housing Association
 Income and Expenditure Account
 For the year ended 31 March 2013



	Notes	2013 £'000	2012 £'000
Turnover	2	26,137	29,486
Operating costs	2	(15,404)	(21,020)
Operating surplus	2	10,733	8,466
Surplus on sale of fixed assets	5	176	86
Interest receivable and similar income	7	12	9
Interest payable and similar charges	8	(1,366)	(1,488)
Net surplus for the year		9,555	7,073

The historical cost surpluses and deficits are identical to those shown in the financial statements. There are no other recognised gains or losses other than those reported above. Therefore a separate statement of recognised gains and losses has not been prepared.

All activities are continuing.

The notes on pages 16 to 29 form an integral part of these financial statements.

Castle Rock Edinvar Housing Association
 Balance Sheet
 For the year ended 31 March 2013



	Notes	2013 £'000	2012 £'000
Fixed assets			
Housing properties - depreciated cost	11	342,249	331,951
Less: Social Housing Grant	11	(225,209)	(222,268)
Other public grants	11	(3,900)	(3,900)
		<u>113,140</u>	<u>105,783</u>
Other fixed assets	12	2,483	2,624
Investments			
Homebuy loan	13	192	192
Homebuy grant	13	(192)	(192)
		<u>-</u>	<u>-</u>
Total fixed assets		<u>115,623</u>	<u>108,407</u>
Current assets			
Stock	14	85	994
Debtors: amounts due within one year	15	3,663	3,573
Cash at bank and in hand		1,050	3,385
		<u>4,798</u>	<u>7,952</u>
Creditors - amounts due within one year	16	(8,400)	(12,320)
Net current liabilities		<u>(3,602)</u>	<u>(4,368)</u>
Total assets less current liabilities		<u>112,021</u>	<u>104,039</u>
Creditors - amounts falling due after more than one year	17	62,390	63,963
Capital and Reserves			
Non-equity share capital	18	-	-
Revenue reserves	19	49,631	40,076
Total capital and reserves		<u>49,631</u>	<u>40,076</u>
		<u>112,021</u>	<u>104,039</u>

The notes on pages 16 to 29 form an integral part of these accounts.

The financial statements on pages 14 to 29 were approved by the Board on the 11 June 2013 and were signed on its behalf by:

David Fraser
Chair

Chris Martin
Secretary

Martin Gill
Board Member

Castle Rock Edinvar Housing Association
Cash Flow Statement
For the year ended 31 March 2013



	Note	2013		2012	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	23		10,045		11,592
Returns on investments and servicing of finance					
Interest received		12		9	
Interest paid		<u>(1,366)</u>		<u>(1,488)</u>	
Net cash outflow from returns on investments and servicing of finance			(1,354)		(1,479)
Capital expenditure and financial investment					
Additions to housing properties	11	(11,991)		(13,300)	
Capital grants received	11	3,347		3,943	
Payments to acquire other fixed assets		-		(46)	
Proceeds of Sales of other fixed assets	5	<u>135</u>		<u>531</u>	
Net cash outflow from capital expenditure			(8,509)		(8,872)
Cash inflow/(outflow) before management of liquid resources and financing	25		182		1,241
Financing					
Loan repayments		(8,017)		(3,430)	
Loan advances received		<u>5,500</u>		<u>5,500</u>	
Net cash inflow from financing	24		(2,517)		2,070
(Decrease)/ Increase in cash	24		<u>(2,335)</u>		<u>3,311</u>

The notes on pages 16 to 29 form an Integral part of these accounts.

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and the Statement of Recommended Practice (SORP): Accounting by Registered Social Housing Providers Update 2010. A summary of the more important accounting policies, which have been consistently applied, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention and comply with the Registered Social Landlords Accounting Requirements (Scotland) Order 2007.

Turnover

The turnover represents mainly rents, service charges and revenue grants receivable from the Scottish Government or Local Authorities, housing developed for sale and some fees from managing agency services.

VAT

The majority of the Association's turnover from letting activities is exempt from VAT. Properties developed for sale are subject to VAT at zero rate. Where appropriate, costs are stated including irrecoverable VAT.

Pensions

The Association participates in the Scottish Housing Associations' Pension Scheme (the Scheme). The defined benefit pension scheme based on final pensionable salary is now closed to new employees. Contributions from the Association and participating employees are paid into independently administered funds. These payments are made in accordance with triennial calculations by professionally qualified independent actuaries. In the intervening years, the actuary reviews the continuing appropriateness of the rates of contribution.

Employees now joining the Association have the option of joining a Stakeholder scheme to which the Association contributes. The costs of the stakeholders scheme are accounted for in the year in which they occur.

The Association is unable to identify separately the assets and liabilities of the Scheme, therefore the costs of the pension have been accounted for on a defined contribution basis in this association. The Association has complied with FRS 17 and relevant disclosures are included in note 21 to the accounts.

Housing Association Grant and other capital grants

Where developments have been financed wholly or partly by Housing Association Grant (HAG) or any other form of capital grant subsidy, the cost of those developments is reduced by the grant received.

When HAG in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

Where HAG is retained following the disposal of a property, it is shown under disposal proceeds and recycled grant funds in creditors. These funds will be used for the provision and improvement of new social housing for rent and sale.

Capitalisation of interest and administrative costs

Interest is capitalised on loans financing schemes in development up to their completion. This is calculated by reference to the Association's cost of borrowing and the development costs.

Administration costs relating to the development activities are capitalised on an apportionment of the staff time directly spent on this activity.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Capitalisation of fixed assets

The Association capitalises expenditure to existing properties which it is considered will materially enhance the economic life of the asset, its income generating capacity or will result in a material reduction in annual operating costs. Components such as kitchens, windows doors and bathroom replacement programme are capitalised and depreciated over their expected useful lives.

Depreciation

Fixed assets other than freehold land are depreciated in accordance with FRS15 at rates calculated to reduce the net book value of each component element to its estimated residual value, on a straight line basis, over the expected remaining useful life of the component. Freehold land is not depreciated. The estimated life of assets and components is as shown in the table below.

Kitchens	20
Bathrooms	20
Bollers	15
External Windows & Doors	30
Roofs	45
Fire Safety Systems.	20
Fencing	30
Digital TV Aerials	10
Lifts	20
Aids and adaptations	10
Initial and replacement scheme assets	From 1 to 5
Other Elements (new build)	100
Other Elements (rehab)	80
Other Elements (Leasehold)	Lesser of Term of Lease or 100 years
 Other Fixed Assets:	
Offices (new build)	100
Offices (rehab)	80
Office refurbishment	10
Offices (long leasehold)	Lesser of Term of Lease or 100 years
Offices (short leasehold)	10
Equipment	5
Computer hardware, software and Infrastructure	5

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Impairment

For fixed assets with a remaining useful life greater than 100 years an impairment review is carried out on an annual basis in accordance with FRS11. For all other assets an impairment review is undertaken when there is an indication the asset may be impaired. If assets are found to be impaired, the amount of impairment is disclosed in note 3 analysis to the income and expenditure.

Scottish Government shared equity scheme

The Association has sold properties under the Scottish Government shared equity schemes. Under these schemes buyers purchase a majority share of the property with the balance funded by Scottish Government grants. The fixed asset investment represents the total of the loans receivable from purchasers of the property when the equity is released. There is an equal and opposite liability to the Scottish Government amounting to any shared equity release.

Stock and work in progress

Stock and work in progress comprises the costs to balance sheet date of properties being developed for sale either as outright sale or shared ownership properties.

Cost of raising finance

The cost of raising finance is amortised over the period of the instrument. The deferred cost is offset against the liability and is included within "Creditors: amounts falling due after one year" (Note 16).

Special needs housing managed by voluntary agents on behalf of the association

Because of the nature of the relationship between the Association and its managing agents these financial statements exclude the financial performance of the projects managed by our agents.

Service charge sinking funds

The Association is required to set aside sums in respect of future maintenance of certain factored properties. Amounts accumulated in the fund are included within "Cash at bank and in hand" and within "Creditors: falling due within one year" (Note 16).

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

2. PARTICULARS OF TURNOVER, OPERATING COSTS, AND OPERATING SURPLUS

	2013 Turnover £'000	2013 Operating costs £'000	Operating surplus £'000	2012 Operating surplus £'000
Social lettings	24,090	(13,572)	10,518	8,469
Other activities	2,047	(1,832)	215	(3)
Total	26,137	(15,404)	10,733	8,466
Total for the year ended 31 March 2012	29,486	(21,020)	8,466	

3. PARTICULARS OF TURNOVER, OPERATING COSTS, AND OPERATING SURPLUS FROM SOCIAL LETTINGS ACTIVITIES

	2013			2012	
	General needs housing £'000	Supported housing and housing for older people £'000	Low cost home ownership £'000	Total £'000	Total £'000
Income from lettings activities					
Rent receivable net of service charges	18,737	2,505	547	21,789	20,191
Service charges receivable	851	1,065	1	1,917	1,800
Gross Rents Receivable	19,588	3,570	548	23,706	21,991
Less Voids	(123)	(34)	-	(157)	(124)
	19,465	3,536	548	23,549	21,867
Revenue grants from local authorities and other agencies	432	43	-	475	232
Other income	60	5	1	66	17
	19,957	3,584	549	24,090	22,116
Expenditure on letting activities					
Management	(3,118)	(418)	(91)	(3,627)	(4,279)
Services	(983)	(922)	(16)	(1,921)	(1,819)
Routine maintenance	(3,065)	(437)	1	(3,501)	(3,320)
Planned maintenance	(1,407)	(333)	(1)	(1,741)	(2,620)
Rent losses from bad debts	(126)	3	2	(121)	(182)
Major repairs expenditure	(950)	150	(11)	(811)	-
Depreciation on housing assets	(1,363)	(173)	(31)	(1,567)	(1,427)
Impairment of housing assets	(262)	-	-	(262)	-
Other Costs	(14)	(2)	(5)	(21)	-
Total expenditure on lettings	(11,288)	(2,132)	(152)	(13,572)	(13,647)
Operating surplus on letting activities	8,669	1,452	397	10,518	8,469
Total for the year ended 31 March 2012	7,280	795	394	8,469	

4. PARTICULARS OF TURNOVER, OPERATING COSTS, AND OPERATING SURPLUS FROM OTHER ACTIVITIES

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total turnover	Other operating costs	Operating surplus/(deficit) year ended 31 March 2013	Operating surplus/(deficit) year ended 31 March 2012
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	164	-	-	-	164	(393)	(229)	(202)
Support activities	-	-	126	-	126	(125)	1	37
Other agency/management services	-	-	-	56	56	(56)	-	-
Developments for sale to registered social landlords	-	-	-	40	40	(41)	(1)	94
Developments and improvements for sale to non registered social landlords	-	-	-	436	436	(419)	17	(55)
Commercial property income	-	-	-	1,042	1,042	(784)	258	(34)
VAT recovery	-	-	-	183	183	-	183	150
Other	-	-	-	-	-	(14)	(14)	7
Total from other activities	164	-	126	1,757	2,047	(1,832)	215	(3)

Total from other activities for the year ended 31 March 2012

199 217 205 6,749 7,370 (7,373) (3)

5. SALE OF OTHER FIXED ASSETS AND REDUCTION GRANT LIABILITY

	2013 £'000	2012 £'000
Sales proceeds	135	954
Cost of sales	(70)	(556)
Operating costs	(2)	(312)
Gain on sale of fixed asset	63	86
Reduction of Grant Liability	153	-
Recycled Grant	(40)	-
Non cash reduction in grant liability	113	-
Surplus on sale of other assets and reduction in Grant liability	<u>176</u>	<u>86</u>

Included in the above are sales of housing properties with turnover of £Nil (2012: £384,000), cost of sales of £Nil (2012: £82,000) and operating costs of £Nil (2012: £298,000).

6. OFFICERS' EMOLUMENTS

The Association is controlled by a voluntary Board of Management who received no remuneration during the year to 31 March 2013 (2012 - £Nil).

	2013 £'000	2012 £'000
The aggregate of emoluments payable to Officers whose emoluments (excluding pension contributions) are £60,000 or more	<u>313</u>	<u>298</u>
Aggregate emoluments payable to the Chief Executive (excluding pension contributions)	<u>104</u>	<u>103</u>
Pension contributions payable to Officers whose total emoluments are £60,000 or more	<u>24</u>	<u>26</u>

The emoluments of the Officers whose emoluments (excluding pension contributions) were over £60,000 were as follows;

	2013	2012
£60,000 to £70,000	3	3
£80,000 to £90,000	-	-
£100,000 to £110,000	<u>1</u>	<u>1</u>

	2013 No.	2012 No.
The average number of full-time equivalents employed during the year was:-		
Housing	44	38
Property Services	18	17
Direct Trades	41	36
Sheltered Housing	17	18
Cleaners	4	6
Wider role and Commercial activities	7	11
Total Managing Housing Services	<u>131</u>	<u>126</u>
Central Administration Services	19	18
Total average FTE employees	<u>150</u>	<u>144</u>

6. OFFICERS' EMOLUMENTS (cont.)

	2013	2012
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	4,203	3,900
Social security costs	370	335
Other pension costs	394	361
	<u>4,967</u>	<u>4,596</u>

Included in other pension costs for this year ending 31 March 2013 is a amount of **£147,663** in respect of payments towards the pension deficit disclosed in note 21.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013	2012
	£'000	£'000
Interest receivable on cash deposits	<u>12</u>	<u>9</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£'000	£'000
On loans from related undertakings	274	297
On bank loans and overdrafts	<u>1,121</u>	<u>1,225</u>
	1,395	1,522
Capitalised interest	<u>(29)</u>	<u>(34)</u>
	<u>1,366</u>	<u>1,488</u>
Capitalisation rate used to determine the finance costs capitalised during the year:	<u>2.12%</u>	<u>2.41%</u>

9. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

Surplus on ordinary activities before taxation was arrived at after charging:

	2013	2012
	£'000	£'000
Auditors' remuneration in their capacity as auditors (including expenses and VAT)	11	10
Payments under operating leases on motor vehicles	166	142
Depreciation of Other fixed assets	<u>71</u>	<u>1,551</u>

10. TAXATION

There was no charge to corporation tax in 2013 or in 2012. The Association has charitable status and is exempt from corporation taxation under the provisions of Section 505 of the Income and Corporation Taxes Act 1988.

11. HOUSING PROPERTIES

	Completed housing properties £'000	Completed LSE & Shared Ownership housing properties £'000	Housing properties in the course of construction £'000	LSE & Shared Ownership properties in the course of construction £'000	Total housing properties £'000
Cost					
As at 1st April 2012	323,504	14,644	5,770	92	344,009
Additions	-	-	11,804	187	11,991
Change of Tenure/Use	978	(739)	(73)	43	209
Schemes Completed in Year	12,292	77	(12,292)	(77)	-
Disposals	-	-	-	-	-
As at 31st March 2013	336,774	13,982	5,209	245	356,209
As at 1st April 2012	(207,692)	(10,635)	(3,874)	(66)	(222,267)
Additions	-	-	(3,347)	-	(3,347)
Change of Tenure/Use	(303)	555	-	-	252
Schemes Completed In Year	(4,005)	(66)	4,005	66	-
Removal of Grant Liability	153	-	-	-	153
As at 31st March 2013	(211,847)	(10,146)	(3,216)	-	(225,209)
Other Capital Grants					
As at 1st April 2012	(3,893)	(7)	-	-	(3,900)
Additions/ Disposals	-	-	-	-	-
As at 31st March 2013	(3,893)	(7)	-	-	(3,900)
Total Grants at 31st March 2013	(215,740)	(10,153)	(3,216)	-	(229,110)
Total grants at 1st April 2012	(211,585)	(10,642)	(3,874)	(66)	(226,167)
Depreciation & Impairment					
As at 1st April 2012	(11,788)	(269)	-	-	(12,057)
Depreciation charges during year	(1,636)	(36)	-	-	(1,672)
Impairment charges during year	(262)	-	-	-	(262)
Depreciation Change of Tenure	31	-	-	-	31
As at 31st March 2013	(13,655)	(305)	-	-	(13,960)
Net Book Value at 31st March 2013	107,379	3,523	1,993	245	113,140
Net Book Value at 1st April 2012	100,131	3,732	1,895	25	105,783

Transfer to completed schemes includes £3,258,887 (2012: £2,813,000) in respect of capitalised major repairs. In addition the cost of planned, cyclical and major repairs charged to revenue in the year amounted to £2,762,227 (2012: £2,620,000).

12. OTHER FIXED ASSETS

	Computer equipment £'000	Freehold commercial properties £'000	Short leasehold offices £'000	Total £'000
Cost				
At 1 April 2012	48	5,491	20	5,559
Disposals	-	(220)	(20)	(240)
At 31 March 2013	48	5,271	-	5,319
Other Capital Grants				
At 1 April 2012	-	(2,211)	-	(2,211)
Additions/ Disposals	-	-	-	-
At 31 March 2013	-	(2,211)	-	(2,211)
At 1 April 2012	(20)	(687)	(17)	(724)
Charged during year	(10)	(58)	(3)	(71)
Disposals	-	150	20	170
At 31 March 2013	(30)	(595)	-	(625)
Net book value at 31 March 2013	18	2,465	-	2,483
Net book value at 31 March 2012	28	2,593	3	2,624

13. FIXED ASSET INVESTMENTS

	2013 £'000	2012 £'000
Gross valuation		
At 1 April	191	195
Disposals in year	-	-
Net appreciation in year	1	(3)
At 31 March	192	192
Social Housing Grant		
At 1 April	(191)	(195)
Disposals in year	-	-
Net Appreciation in year	(1)	3
At 31 March	(192)	(192)
Net book value at 31 March	-	-

14. STOCK AND WORK IN PROGRESS

	2013 £'000	2012 £'000
Properties in construction	85	125
Completed properties	-	869
Total stock	85	994

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£'000	£'000
Amounts falling due within one year:		
Rental debtors	1,030	1,052
Less: provision for bad and doubtful debts	<u>(280)</u>	<u>(348)</u>
	750	704
Other trade debtors	232	146
Other taxes	17	108
Sundry debtors, prepayments and accrued income	2,293	2,219
Amounts due from related undertakings	371	395
Loans to employees	<u>-</u>	<u>1</u>
	<u><u>3,663</u></u>	<u><u>3,573</u></u>
Housing loans principal payable within one year	2,485	2,309
Interest on housing loans	41	165
Trade creditors	489	515
Amounts due to related undertakings	30	42
Other creditors and accruals	1,396	1,711
Finance leases	85	78
Development creditors	3,329	6,994
Prepaid rent	<u>545</u>	<u>506</u>
	<u><u>8,400</u></u>	<u><u>12,320</u></u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013	2012
	£'000	£'000
Debt		
Housing loans	53,915	56,436
Loans from related undertakings	10,000	10,000
Finance leases	123	212
Cost of raising finance	<u>(282)</u>	<u>-</u>
	63,756	66,648
Recycling Capital grant funds	1,119	-
Cost of raising finance	-	(291)
Less : payable within one year	<u>(2,485)</u>	<u>(2,394)</u>
Total creditors: amounts falling due after more than one year	<u><u>62,390</u></u>	<u><u>63,963</u></u>
Debt analysis		
Debt is repayable as follows:		
In one year or less	2,485	2,394
In more than one year but less than two years	2,327	2,356
In more than two years but less than five years	17,202	17,205
In more than five years		
By instalments	36,242	39,193
Not by instalments	<u>5,500</u>	<u>5,500</u>
	<u><u>63,756</u></u>	<u><u>66,648</u></u>

The loans are secured by specific charges over properties, and are repayable at varying rates of interest.

18. NON EQUITY SHARE CAPITAL

	2013	2012
	No	No
Issued, allotted and fully paid "B" shares of £1 each		
At 1 April	162	166
Cancelled during the year	(4)	(7)
Issued during the year.	<u>5</u>	<u>3</u>
At 31 March	<u><u>163</u></u>	<u><u>162</u></u>
Issued, allotted and unpaid "A" shares of £1 each		
At 1 April	6	6
Issued during the year.	3	-
Cancelled during the year	<u>(1)</u>	<u>-</u>
At 31 March 2013	<u><u>8</u></u>	<u><u>6</u></u>

The shares are not transferable or redeemable. Payment of dividends or other benefits to shareholders is forbidden by the Association's rules and by the Industrial and Provident Societies Act 1965. On a return of capital on a winding-up, no member shall receive any property or sum beyond their £1 entitlement.

19. REVENUE RESERVES

	2013	2012
	£'000	£'000
At 1 April	40,076	33,003
Net surplus for the year	<u>9,555</u>	<u>7,073</u>
At 31 March	<u><u>49,631</u></u>	<u><u>40,076</u></u>

20. CAPITAL COMMITMENTS

	2013	2012
	£'000	£'000
Contracts placed for future capital expenditure not provided in the financial statements.	<u>2,916</u>	<u>2,239</u>
Additional Capital expenditure that has been authorised by the Board of directors	<u><u>3,002</u></u>	<u><u>11,538</u></u>

Grant funding is in place for all social housing projects where contracts have been placed for future capital expenditure.

The commitments under non-cancellable operating leases for the following year, analysed according to the period in which each lease expires are set out below.

	Motor vehicles	Motor vehicles
	2013	2012
	£'000	£'000
In one or less	19	10
Between one and two years	-	4
Between two and five years	<u>66</u>	<u>64</u>
	<u><u>85</u></u>	<u><u>78</u></u>

21. PENSION OBLIGATIONS

The pension costs for the Association relate to the following schemes:

The Places for People Group Stakeholder Scheme

Employees joining the Association from 1 September 2004 have the option of joining a defined contribution retirement benefit scheme - the Places for People Stakeholder Pension Plan and Group Life Assurance Scheme.

The total cost charged to the profit and loss account of £99,188 (2012: £64,000) represents contributions payable to these schemes by the Association any at rates specified in the rules of the plan. As at 31 March 2013 contributions of £9,418 (2012: £10,000) due in respect of the current reporting period had not been paid over to the schemes.

The Scottish Housing Associations' Pension Scheme ("the Scheme")

The Association participates in the Scottish Housing Associations' Pension Scheme ("the Scheme"). The Scheme is funded and is contracted out of the state scheme.

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

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, so that the Scheme can meet its pension obligations as they fall due.

The last formal valuation of the Scheme was performed as at 30 September 2009 by a professionally qualified Actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £295 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £160 million, equivalent to a past service funding level of 64.8%.

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

Disclosure in Respect of Employer Debt

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

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

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

The Association has been notified by The Pensions Trust of the estimated employer debt on withdrawal from SHAPS based on the estimated financial position of the Scheme as at 30 September 2012. As of this date the estimated employer debt for Castle Rock Edinvar was £19.7 million (2012: £20.4 million).

21. PENSION OBLIGATIONS (CONTINUED)

The Scottish Housing Associations' Pension Scheme Growth Plan

The Association participates in the Growth Plan as an Additional Voluntary Contribution (AVC) vehicle for employees. The Growth Plan is a multi-employer pension plan where it is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers.

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

The rules of the Growth Plan give the Trustee the power to require employers to pay additional voluntary contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustees of the plan. The Trustee's current policy is that it only applies to employers with the pre October 2001 liabilities in the plan winding up. The amount of debt can be volatile over time.

The Association has been notified by the Pension Trust of the estimated employer debt on withdrawal from the growth plan based on the financial position of the plan as at 30 September 2012. As of this date the estimated employer debt for The Association was £142,763.

22. CONTINGENT LIABILITIES

There are no contingent liabilities other than those referred to in note 21 concerning the Scottish Housing Association Pension Scheme.

23. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £'000	2012 £'000
Operating surplus on ordinary activities	10,733	8,466
Depreciation and Impairment	1,973	1,551
Decrease in stock and work in progress	230	4,466
(Increase)/ Decrease in debtors	(90)	701
Decrease in creditors	(2,977)	(3,666)
Gain on sales of fixed assets	176	75
Net cash inflow from operating activities	<u>10,045</u>	<u>11,592</u>

24. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2013 £'000	2012 £'000
(Decrease)/ Increase in cash	(2,335)	3,288
Net cash inflow/ (outflow) from financing	2,517	(2,070)
Change in net debt resulting from cash flows	182	1,218
Opening net debt	(62,972)	(64,190)
Closing net debt	<u>(62,790)</u>	<u>(62,972)</u>

25. ANALYSIS OF NET DEBT

	At 1 April 2012 £'000	Cash flow £'000	At 31 March 2013 £'000
Cash	3,385	(2,335)	1,050
Loans (note 17)	(66,242)	2,523	(63,719)
Group Loan	(30)	(13)	(43)
HP/ Finance leases	(85)	7	(78)
Net debt	<u>(62,972)</u>	<u>182</u>	<u>(62,790)</u>

26. LOTTERY GRANT FUNDING

Castle Rock Edinvar has received restricted grant funding during the year from the Big Lottery Fund. These funds are used to assist clients with money matters and financial inclusion.

	2013 £'000	2012 £'000
At 1 April 2012	30	17
Grant money received in year	148	131
Expenditure in year	<u>(143)</u>	<u>(118)</u>
At 31 March 2013	<u>35</u>	<u>30</u>

The balance carried forward is included within "Other creditors and accruals" (note 16).

27. RELATED PARTY TRANSACTIONS

Castle Rock Edinvar is a subsidiary of the Places for People Group Limited, 305 Gray's Inn Road, London WC1X 8QR. Since the parent company publishes consolidated group accounts, the Association has taken advantage of the exemption not to report transactions with other group companies as permitted in FRS8.

The principal subsidiaries of Castle Rock Edinvar are Place for People Scotland Limited (formerly Lothian Homes Limited) and Places for People Scotland Care & Support Limited.

28. HOUSING ACCOMMODATION

	2013 No.	2012 No.
General needs	5,160	5,058
Support accommodation	868	857
Shared ownership	251	261
Other tenancies	23	11
Managed for others	37	7
	<u>6,339</u>	<u>6,194</u>

	General needs housing No.	Supported housing No.	Shared ownership housing No.	Others No.	Total No.
Units owned and managed at year end	5,026	688	251	-	5,965
Units managed not owned at year end	-	37	-	-	37
Units owned not managed at year end	134	180	-	23	337
	<u>5,160</u>	<u>905</u>	<u>251</u>	<u>23</u>	<u>6,339</u>