

CHARING CROSS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

Registered with the Financial Services Authority No. 1805RS

Registered Housing Association No. HCB 88

CHARING CROSS HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS
For the year ended 31 March 2011

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CHARING CROSS HOUSING ASSOCIATION LIMITED
MANAGEMENT COMMITTEE, EXECUTIVES AND PROFESSIONAL ADVISORS

MANAGEMENT COMMITTEE

Najam Khan, Chairperson
Raheela Salam, Vice Chairperson
Ashiq Ali, Secretary
Naseer Ahmad
Zayd Kamaliddin
Onkar Singh Jandu re - elected 16. 06. 10
Abdul Khaliq
Sana Ullah Sheikh re - elected 16. 06. 10
Siriya Sheikh re - elected 16. 06. 10
Mohammed T Sheikh
Razia Haq
Samina Yasmin re - elected 16. 06. 10

EXECUTIVE OFFICERS

Mary MacLeod, Chief Executive
William Ritchie, Finance Manager
Julie McConnon, Technical Services Manager
Martin Percy, Housing Manager

REGISTERED OFFICE

31 Ashley Street
Glasgow
G3 6DR

Tel: 0141 333 0404
Fax: 0141 331 2739
e-mail: cxha@cxha.org.uk

EXTERNAL AUDITORS

Scott - Moncrieff
Chartered Accountants
Statutory Auditor
25 Bothwell Street
Glasgow
G2 6NL

INTERNAL AUDITORS

Alexander Sloan and Co.
Chartered Accountants
144 West George Street
Glasgow
G1 2JA

SOLICITORS

Hart Smith & Co.
43 Crow Road
Glasgow
G11 7SH

Brechin Tindal Oatts
48 St Vincent Street
Glasgow
G2 3AD

BANKERS

Clydesdale Bank plc
Financial Solutions Centre
Clydesdale Bank Exchange
20 Waterloo Street
Glasgow
G2 6DB

CHARING CROSS HOUSING ASSOCIATION LIMITED
REPORT OF THE MANAGEMENT COMMITTEE
For the year ended 31 March 2011

The Management Committee present their report and the audited financial statements for the year ended 31 March 2011

PRINCIPAL ACTIVITIES

The Association is involved in two principal areas of activity. These are:-

1. The provision of affordable housing for people in need, and
2. The further development and regeneration of housing within its community based area.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The members of the Management Committee are of the opinion that the state of affairs of the Association is satisfactory. The deficit for the year after taxation was £2,126 (2010 - £5,746). As in the previous year there was higher than anticipated expenditure on void properties resulting in higher than expected repairs expenditure bringing these properties up to standard. The net transfer to the Designated Reserves amounted to £47,034 , (2010 - £3,749) .There was significant expenditure on major repairs during the year amounting to over £100,000 . Net Assets now stand at £2,383,031 (2010 - £2,385,143).

Significant staff resources have been applied to meeting the demands of the Scottish Housing Quality Standards by ensuring comprehensive repairs to all void properties and an ongoing improvements and major repairs programme. The Association has now completed the new build project at Hill Street which gave a further 14 units available for let in April 2010. The current economic climate has led to additional emphasis being focused on the day to day activities of the Association to ensure it continues to operate as efficiently as possible. The Association has recently agreed a funding package with Clydesdale Bank plc which will allow it to redeem loans with the Scottish Government and assist in funding the major repairs works.

MANAGEMENT COMMITTEE AND EXECUTIVE OFFICERS

The members of the Management Committee and the Executive Officers are listed on page 1.

Each member of the Management Committee holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the Association's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Management Committee.

STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES

Statute requires the Management Committee 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 Management Committee is 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 departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

CHARING CROSS HOUSING ASSOCIATION LIMITED
REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED..)
For the year ended 31 March 2011

STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES (Continued)

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RELATED PARTY TRANSACTIONS

8 members of the Management Committee are tenants. Their tenancies are on the Association's normal tenancy terms and they cannot use their position to their advantage.

CORPORATE GOVERNANCE

The Association has complied throughout the accounting period with the appropriate paragraphs of the Internal Financial Control section within the SFHA's publication "Raising Standards in Housing".

The Auditors have confirmed that they consider this statement appropriately reflects the Association's compliance with the paragraphs of the Internal Financial Control section within the SFHA's publication "Raising Standards in Housing" required to be reviewed by them. The Auditors have also confirmed that, in their opinion, with respect to the Statement on Internal Financial Control below, the Management Committee have provided the disclosures required by the Internal Financial Control section within the SFHA's publication "Raising Standards in Housing" and such statement is not inconsistent with the information of which they are aware from their audit work on the Financial Statements.

INTERNAL FINANCIAL CONTROL

The Management Committee exercises overall responsibility for the Association's system of internal financial control and the Finance, Audit and Personnel Sub-Committee, on behalf of the Management Committee, is responsible for its effectiveness. This system, like any other, can only provide reasonable, but not absolute, assurance against material misstatement or loss.

To discharge this responsibility, the Management Committee have established an organisation structure with clearly defined levels of responsibility and authority and with appropriate reporting procedures. Included within these key procedures are the following internal financial controls:-

- the formulation and review of policies and procedures in the areas such as financial performance standards, treasury management operations and financial regulations
- a comprehensive system of budgeting, planning and financial reporting
- formal business risk reviews by management which consider the potential effects of risk and identify potential new risk
- an established finance and audit sub-committee which considers significant control issues and receives regular reports from both the internal and external auditors.

CHARING CROSS HOUSING ASSOCIATION LIMITED
REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED..)
For the year ended 31 March 2011

INTERNAL FINANCIAL CONTROL (Continued..)

- The Association's external auditors report on any weaknesses in internal financial control identified during the course of their audits. These reports are replied to by the Finance, Audit and Personnel Sub-Committee setting out any measures which have been taken as a consequence of the report.
- The Management Committee has also appointed a firm of Chartered Accountants to undertake a programme of internal audit work. The Internal Auditors report on any weaknesses within the system of internal control on a regular basis to the Finance, Audit and Personnel Sub-Committee.

CHARITABLE DONATIONS

During the year, the Association made charitable donations amounting to £250 (2010 - £450).

AUDITORS

A resolution to re-appoint the Auditors Scott-Moncrieff will be proposed at the Annual General Meeting.

By order of the Management Committee

A Ali
Secretary

7 June 2011

**REPORT OF THE AUDITORS TO THE MANAGEMENT COMMITTEE OF
CHARING CROSS HOUSING ASSOCIATION LIMITED
ON CORPORATE GOVERNANCE MATTERS**

For the year ended 31 March 2011

In addition to our audit of the Financial Statements, we have reviewed your Statement on Pages 3 and 4 concerning the Association's compliance with the paragraphs of the Internal Financial Control section within the SFHA's publication "Raising Standards in Housing". The objective of our review is to draw attention to non-compliance with those paragraphs of the Code, if not otherwise disclosed.

Basis of Opinion

We carried out our review having regard to Bulletin 2009/4 issued by the Auditing Practices Board. The Bulletin does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the Association's system of internal financial control or its corporate governance procedures.

Opinion

In our opinion, your Statement on internal financial control on Pages 3 and 4 has provided the disclosures required by the Internal Financial Control section within the SFHA's publication "Raising Standards in Housing" and is not inconsistent with the information which came to our attention as a result of our audit work on the Financial Statements.

SCOTT-MONCRIEFF

Chartered Accountants

Statutory Auditor

25 Bothwell Street

Glasgow G2 6NL

7 June 2011

REPORT OF THE AUDITORS TO THE MEMBERS OF CHARING CROSS HOUSING ASSOCIATION LIMITED

For the year ended 31 March 2011

We have audited the financial statements of Charing Cross Housing Association Limited for the year ended 31 March 2011 which comprise the income and expenditure account, balance sheet, cash flow statement and related notes. The financial reporting framework that has been applied is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice - Accounting by Registered Social Landlords issued in 2008.

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

Respective Responsibilities of the Management Committee and Auditors

As explained more fully in the Management Committee Responsibilities statement set out on page 2, the committee members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices' Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 Committee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Management Committee to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2011 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice - Accounting by Registered Social Landlords issued in 2008;
- have been prepared in accordance with the requirements of the Industrial and Provident Societies Acts 1965 to 2002, Schedule 7 of the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007.

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

SCOTT-MONCRIEFF

Chartered Accountants

Statutory Auditor

25 Bothwell Street

Glasgow

G2 6NL

7 June 2011

CHARING CROSS HOUSING ASSOCIATION LIMITED
INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2011

		2011	2010
	<i>Notes</i>	£	£
TURNOVER	2	1,947,873	1,774,165
OPERATING COSTS	2	(1,871,382)	(1,751,972)
OPERATING SURPLUS	2	76,491	22,193
(Loss)/ Gain on sale of housing accommodation		(2,333)	42,175
Interest receivable and other similar income		613	1,536
Interest payable and other similar charges	7	(58,703)	(58,433)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		16,068	7,471
Taxation on surplus on ordinary activities	9	(18,194)	(13,217)
DEFICIT FOR THE YEAR		(2,126)	(5,746)

The results for the year relate wholly to continuing activities.

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

There is no material difference between the deficit on ordinary activities for the year and the retained deficit for the year stated above and their historical cost equivalents.

The notes on pages 10 to 23 form part of these accounts.

CHARING CROSS HOUSING ASSOCIATION LIMITED
BALANCE SHEET
As at 31 March 2011

		2011	2010
	Notes	£	£
TANGIBLE FIXED ASSETS			
Housing properties - gross cost	10	37,483,660	37,378,458
Less: Social Housing Grant	10	(31,411,025)	(31,438,851)
Other Public Grants	10	(1,694,763)	(1,694,763)
Depreciation	10	(569,160)	(486,881)
Other Fixed Assets	10	3,808,712	3,757,963
	10	301,078	293,221
		4,109,790	4,051,184
CURRENT ASSETS			
Debtors	11	247,339	276,106
Cash at bank and in hand		558,814	1,231,583
		806,153	1,507,689
CREDITORS			
Amounts falling due within one year	12	(666,277)	(1,206,259)
NET CURRENT ASSETS		139,876	301,430
TOTAL ASSETS LESS CURRENT LIABILITIES		4,249,666	4,352,614
CREDITORS			
Amounts falling due after more than one year	13	(1,866,635)	(1,967,471)
NET ASSETS		2,383,031	2,385,143
CAPITAL AND RESERVES			
Called up share capital	14	450	447
Designated reserves	15	1,778,344	1,731,310
Revenue reserves	16	604,237	653,386
CAPITAL EMPLOYED		2,383,031	2,385,143

The Financial Statements were authorised for issue by the Management Committee on 7 June 2011
and signed on its behalf by:-

Mr N Khan
Chairperson

Mr A Ali
Company Secretary

Mr O S Jandu
Committee Member

The notes on pages 10 to 23 form part of these accounts.

CHARING CROSS HOUSING ASSOCIATION LIMITED
CASH FLOW STATEMENT
For the year ended 31 March 2011

	<i>Notes</i>	2011 £	2010 £
Net Cash (Outflow)/ Inflow From Operating Activities	17	(349,060)	594,949
Returns on Investments and Servicing of Finance			
Interest received		613	1,536
Interest paid		(58,703)	(58,433)
Net Cash Outflow From Returns on Investments and Servicing of Finance		(58,090)	(56,897)
Taxation			
Corporation tax paid		(11,873)	-
Net Cash Outflow from Taxation		(11,873)	-
Capital Expenditure			
Payments to acquire and develop housing		(137,235)	(1,467,806)
Receipts from sale of housing		29,700	71,918
Social Housing Grant received		3,879	642,057
Social Housing Grant repaid		(31,705)	(27,046)
Payments to acquire other fixed assets		(29,303)	(1,064)
Net Cash Outflow From Capital Expenditure		(164,664)	(781,941)
Net Cash Outflow Before Use Of Liquid Resources and Financing		(583,687)	(243,889)
Financing			
Loans received		-	545,000
Loans repaid		(89,096)	(78,748)
Share capital issued		14	6
Net Cash (Outflow)/ Inflow From Financing		(89,082)	466,258
(Decrease)/ Increase In Cash	18	(672,769)	222,369

The notes on pages 10 to 23 form part of these accounts.

CHARING CROSS HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2011

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords issued in 2008, and comply with the Registered Social Landlords Accounting Requirements (Scotland) Order 2007. The principal accounting policies are set out below.

Basis of Accounting

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

Going Concern

The Committee of Management anticipate that a surplus will be generated in the year to 31 March 2012. The Association has a healthy cash and net current asset position and thus the Committee of Management are satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus the Committee of Management continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from Scottish Ministers, local authorities and other agencies. Also included is any income from first tranche shared ownership disposals.

Housing Properties

Housing properties are stated at cost, less social housing and other public grants and less accumulated depreciation. Depreciation is charged on Housing properties at cost, less grants received, less land on a straight line basis over the expected useful economic life of the properties at an annual rate of 2%.

Other Fixed Assets

Other fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected useful economic life of the assets at the following annual rates:-

Freehold office premises	2%
Office equipment	25%
Computer equipment	25%
Office furniture	20%
Sheltered Housing Furniture	20%

Social Housing Grant and Other Grants

Where developments have been financed wholly or partly by Social Housing Grant or other capital grant, the cost of these developments has been reduced by the amount of the grant receivable. The amount of the grants receivable is shown separately on the Balance Sheet.

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account in the same period as the expenditure to which it relates.

Although Social Housing Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of the sale.

Capitalisation of Interest

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme.

CHARING CROSS HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2011

1. PRINCIPAL ACCOUNTING POLICIES (continued..)

Development Administration Costs

Development administration costs relating to development activities are capitalised based on an apportionment of the staff time spent on this activity.

Cyclical and Major Repairs

The costs of cyclical and major repairs are charged to the Income and Expenditure Account in the year in which they are incurred.

Designated Reserves

The Association has designated part of its reserves to meet its long term obligations.

- The Cyclical Maintenance Reserve has been designated to meet future repair and maintenance obligations which are cyclical in nature. These are carried out in accordance with a planned programme of works.
- The Major Repairs Reserve is based on the Association's liability to maintain housing properties in a state of repair which at least maintains their residual values in prices prevailing at the time of acquisition and construction.

Pension Costs (Note 23)

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

CHARING CROSS HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2011

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

		2011			2010		
		Turnover £	Operating Costs £	Operating Surplus/ (Deficit) £	Turnover £	Operating Costs £	Operating Surplus/ (Deficit) £
INCOME AND EXPENDITURE FROM LETTINGS							
SOCIAL LETTINGS	Note 3	1,744,923	1,671,722	73,201	1,579,851	1,533,986	45,865
OTHER ACTIVITIES	Note 4	202,950	199,660	3,290	194,314	217,986	(23,672)
TOTAL		1,947,873	1,871,382	76,491	1,774,165	1,751,972	22,193

CHARING CROSS HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2011

3. PARTICULARS OF INCOME AND EXPENDITURE FROM LETTINGS

	General Needs Housing £	Supported Housing £	Shared Ownership £	Other £	2011 Total £	2010 Total £
INCOME FROM RENT AND SERVICE CHARGES						
Rent receivable net of service charges	1,462,404	160,238	22,403	-	1,645,045	1,481,586
Service charges	-	108,730	-	-	108,730	101,982
GROSS INCOME FROM RENTS AND SERVICE CHARGES	1,462,404	268,968	22,403	-	1,753,775	1,583,568
Less: Voids	6,261	2,591	-	-	8,852	3,717
NET INCOME FROM RENTS AND SERVICE CHARGES	1,456,143	266,377	22,403	-	1,744,923	1,579,851
Grants from the Scottish Ministers	-	-	-	-	-	-
Other revenue grants	-	-	-	-	-	-
TOTAL TURNOVER FROM SOCIAL LETTING ACTIVITIES	1,456,143	266,377	22,403	-	1,744,923	1,579,851
EXPENDITURE						
Management and Maintenance administration costs	395,886	44,207	13,185	-	453,278	392,444
Service Charges	-	113,436	-	-	113,436	127,885
Planned cyclical maintenance including major repairs	549,944	22,725	-	-	572,669	484,790
Reactive maintenance costs	351,812	94,546	-	-	446,358	468,494
Bad debts - rents and service charges	3,702	-	-	-	3,702	(4,401)
Depreciation of social housing	75,035	4,914	2,330	-	82,279	64,774
Impairment of social housing	-	-	-	-	-	-
OPERATING COSTS FOR SOCIAL LETTING ACTIVITIES	1,376,379	279,828	15,515	-	1,671,722	1,533,986
OPERATING SURPLUS/ (DEFICIT) ON LETTING ACTIVITIES, 2011	79,764	(13,451)	6,888	-	73,201	
OPERATING SURPLUS/ (DEFICIT) ON LETTING ACTIVITIES, 2010	48,151	(10,159)	7,873	-		45,865

The amount of service charges receivable on housing accommodation not eligible for Housing Benefit was £22,572 (2010 - £20,520).

CHARING CROSS HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2011

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 2011 Total £	2010 Total £	Operating Costs - Bad Debts £	Other Operating Costs £	Operating Surplus 2011 Total £	2010 Total £
Wider role activities	-	-	-	-	-	-	-	-	-	-
Care and repair of property	-	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	81,104	81,104	85,136	1,966	88,439	(9,301)	3,738
Development and construction of property activities	-	-	-	-	-	-	-	14,679	(14,679)	(49,192)
Support activities	-	-	68,104	-	68,104	68,104	-	68,132	(28)	(1,783)
Care activities	-	-	-	-	-	-	-	-	-	-
Agency/management services for RSL's	-	-	-	-	-	-	-	-	-	-
Other Agency/management services	-	-	-	-	-	-	-	-	-	-
Development for sale to RSL's	-	-	-	-	-	-	-	-	-	-
Development and improvements for sale to non RSL's	-	-	-	-	-	-	-	-	-	-
Commercial Properties	-	-	-	27,370	27,370	24,672	-	3,779	23,591	20,764
Disabled Adaptations	24,932	-	-	-	24,932	14,962	-	22,665	2,267	1,361
Car Parking	-	-	-	1,440	1,440	1,440	-	-	1,440	1,440
TOTAL FROM OTHER ACTIVITIES, 2011	24,932	-	68,104	109,914	202,950		1,966	197,694	3,290	
TOTAL FROM OTHER ACTIVITIES , 2010	14,962	-	68,104	111,248		194,314	5,680	212,306		(23,672)

CHARING CROSS HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2011

5. DIRECTORS' EMOLUMENTS

The Directors are defined as the members of the Management Committee, the Chief Executive and any other person reporting directly to the Chief Executive or the Management Committee. No Director's total emoluments exceed £60,000 per year. No emoluments were paid to any member of the Management Committee during the year.

	2011	2010
	£	£
Emoluments of Chief Executive (excluding pension contributions)	53,247	52,057
	£	£
Total expenses reimbursed insofar as not chargeable to UK income tax	468	176

The Chief Executive is an ordinary member of the Association's pension scheme described in Note 23. No enhanced or special terms apply to membership and she has no other pension arrangements to which the Association contributes. The Association's contributions for the Chief Executive in the year amounted to £8,154 (2010 - £7,963)

6. EMPLOYEE INFORMATION

	Number	Number
The average number of full time equivalent employees during the year was	15.00	15.50
Staff costs were:-	£	£
Wages and Salaries	435,025	447,746
Social Security Costs	30,508	30,278
Pension Contributions	62,506	59,480
	528,039	537,504

CHARING CROSS HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2011

	2011	2010
	£	£
7. INTEREST PAYABLE		
On bank loans and overdrafts	58,703	58,433

	2011	2010
	£	£
8. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		
Surplus on ordinary activities before taxation is stated after charging:-		
Depreciation	103,725	83,503
Auditors' remuneration -external audit services	12,337	12,504
- internal audit services	4,239	3,953
Loss/ (Surplus) on disposal of fixed assets	2,333	(42,175)

	2011	2010
	£	£
9. TAXATION		
Corporation tax at 20% (2010 - 21%)	19,538	13,217
Over provision in respect of prior years	(1,344)	-
	18,194	13,217

CHARING CROSS HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2011

10. TANGIBLE FIXED ASSETS	Housing Properties Held For Letting £	Housing Properties Under Construction £	Completed Shared Ownership Properties £	Shared Ownership Properties Under Construction £	Commercial Property £	Total £
COST:						
At 1 April 2010	35,045,400	1,682,674	535,195	-	115,189	37,378,458
Additions during year	42,207	95,028	-	-	-	137,235
Transfers during year	1,777,702	(1,777,702)	-	-	-	-
Disposals during year	(32,033)	-	-	-	-	(32,033)
As at 31 March 2011	36,833,276	-	535,195	-	115,189	37,483,660
SOCIAL HOUSING GRANT:						
At 1 April 2010	29,830,180	1,189,976	418,695	-	-	31,438,851
Additions during year	-	3,879	-	-	-	3,879
Transfers during year	1,193,855	(1,193,855)	-	-	-	-
Disposals during year	(31,705)	-	-	-	-	(31,705)
As at 31 March 2011	30,992,330	-	418,695	-	-	31,411,025
OTHER GRANTS:						
At 1 April 2010	1,694,763	-	-	-	-	1,694,763
Additions during year	-	-	-	-	-	-
Transfers during year	-	-	-	-	-	-
Disposals during year	-	-	-	-	-	-
As at 31 March 2011	1,694,763	-	-	-	-	1,694,763
DEPRECIATION:						
At 1 April 2010	433,987	-	30,598	-	22,296	486,881
Provided during the year	77,783	-	2,330	-	2,166	82,279
Transfers during year	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-
As at 31 March 2011	511,770	-	32,928	-	24,462	569,160
NET BOOK VALUE:						
At 31 March 2011	3,634,413	-	83,572	-	90,727	3,808,712
At 31 March 2010	3,086,470	492,698	85,902	-	92,893	3,757,963

Additions to housing properties during the year includes no capitalised interest (2010 - £nil) and no capitalised administration costs (2010 - £nil).
All housing properties are freehold.

CHARING CROSS HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2011

10 TANGIBLE FIXED ASSETS (Continued..)	Freehold Office Premises £	Office Computers & Equipment £	Office Furniture & Fittings £	Sheltered Housing Furniture £	Total £
COST					
At 1 April 2010	350,506	136,194	32,203	40,292	559,195
Additions	-	21,619	-	7,684	29,303
Disposals	-	(42,952)	-	-	(42,952)
As at 31 March 2011	350,506	114,861	32,203	47,976	545,546
DEPRECIATION					
At 1 April 2010	62,423	132,394	32,203	38,954	265,974
Charge for the year	9,898	8,673	-	2,875	21,446
Disposals	-	(42,952)	-	-	(42,952)
As at 31 March 2011	72,321	98,115	32,203	41,829	244,468
NET BOOK VALUE:					
At 31 March 2011	278,185	16,746	-	6,147	301,078
At 31 March 2010	288,083	3,800	-	1,338	293,221

11. DEBTORS:	2011 £	2010 £
Amounts falling due within one year:		
Arrears of Rent and Service Charges	70,955	50,917
Less: Provision for doubtful debts	(8,500)	(5,000)
	62,455	45,917
Prepayments and accrued income	50,350	35,550
Other debtors	134,534	194,639
	247,339	276,106

CHARING CROSS HOUSING ASSOCIATION LIMITED
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	2011	2010
	£	£
12. CREDITORS: Amounts falling due within one year		
Housing Loans	67,197	55,457
Trade Creditors	166,373	487,144
Corporation Tax	19,538	13,217
Other taxation and social security	12,365	11,276
Other Creditors	329,545	561,402
Accruals and deferred income	12,658	18,396
Rent paid in advance	58,601	59,367
	666,277	1,206,259

	£	£
13. CREDITORS: Amounts falling due after more than one year		
Housing Loans	1,866,635	1,967,471

Housing Loans are secured by specific charges on the Association's properties and are repayable at varying rates of interest in instalments, due as follows:-

	£	£
Within one year	67,197	55,457
Between one and two years	70,028	58,150
Between two and five years	198,361	182,665
After five years	1,598,246	1,726,656
	1,933,832	2,022,928
Less: amount shown in current liabilities	(67,197)	(55,457)
	1,866,635	1,967,471

CHARING CROSS HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2011

	2011	2010
	£	£
14. SHARE CAPITAL: Shares of £1 each fully paid and issued		
At 1 April 2010	1,103	1,097
Issued during the year	14	6
At 31 March 2011	1,117	1,103

As at 31 March 2011, shares issued were split as follows:

Active members	450	447
Ceased members	667	656
	1,117	1,103

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings. Called Up Share Capital on the Balance Sheet has been adjusted to reflect the number of Shares held by active members.

	Cyclical Maintenance Reserve £	Major Repairs Reserves £	Total £
15. DESIGNATED RESERVES			
At 1 April 2010	83,925	1,647,385	1,731,310
Gross transfers for the year	23,230	169,730	192,960
Expenditure in the year	-	(145,926)	(145,926)
As at 31 March 2011	107,155	1,671,189	1,778,344

	2011	2010
	£	£
16. REVENUE RESERVES		
At 1 April 2010	653,386	662,851
Deficit for the year	(2,126)	(5,746)
	651,260	657,105
Shares cancelled/forfeited during the year	11	30
Transfer from/ (to) designated reserves	(47,034)	(3,749)
As at 31 March 2011	604,237	653,386

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For the year ended 31 March 2011

17. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	2011 £	2010 £
Operating Surplus for the Year	76,491	22,193
Depreciation	103,725	83,503
Movement in Major Repairs Reserves	-	(23,346)
Movement in debtors	28,767	(95,119)
Movement in creditors	(558,043)	607,718
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	(349,060)	594,949

18. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT	2011 £	2010 £
(Decrease) / Increase in cash for the year	(672,769)	222,369
Cash used to repay loans	89,096	78,748
Loans Received	-	(545,000)
Change in net debt	(583,673)	(243,883)
Net debt at 1 April 2010	(791,345)	(547,462)
Net debt at 31 March 2011	(1,375,018)	(791,345)

19. ANALYSIS OF CHANGES IN NET DEBT

	As at 1 April 2010	Cash Flows	Other Changes	As at 31 March 2011
Cash at hand and in bank	1,231,583	(672,769)	-	558,814
Debt due within one year	(55,457)	(11,740)	-	(67,197)
Debt due after one year	(1,967,471)	100,836	-	(1,866,635)
	(791,345)	(583,673)	-	(1,375,018)

CHARING CROSS HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2011

20. HOUSING STOCK	2011 Number	2010 Number
The number of units of accommodation in management at the year end was:-		
General Needs Housing		
- New Build	143	129
- Rehabilitation	314	315
- Decant or Unimproved	2	2
	459	446
Supported Housing	57	57
Shared Ownership	17	17
	533	520
Commercial Property	2	2

The Association owns two hostels which have 70 bedspaces, these are leased to the Talbot Association.

21. CAPITAL COMMITMENTS	2011 £	2010 £
Capital expenditure that has been contracted for but has not been provided for in the Financial Statements	-	78,227
Of the capital commitment £nil (2010 - £9,486) will be funded by social housing grant and the balance of £nil (2010 - £68,741) will be funded by the Association's own funds.		
Capital expenditure that has been authorised by the Management Committee but has not yet been contracted for	-	-

22. LEGISLATIVE PROVISIONS

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

CHARING CROSS HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2011

23. PENSION OBLIGATIONS

General

Charing Cross Housing Association Limited (the Association) participates in the Scottish Housing Associations' Pension Scheme (formerly known as the SFHA Pension Scheme), (the "Scheme"). The scheme is a multi-employer defined benefit scheme. The scheme is funded and is contracted out of the State Pension scheme. The Scheme offers five benefit structures to employers, namely:

Final salary with a 1/60th accrual rate; Career average revalued earnings with a 1/60th accrual rate; a 1/70th accrual rate; a 1/80th accrual rate; and a 1/120th accrual rate, contracted in.

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join. The Association has elected to operate the Final salary with 1/60th accrual rate benefit option for active members and new entrants from 1 April 2011.

The Trustee commissions an actuarial valuation of the Scheme every 3 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.

During the accounting period the Association paid contributions at the rate of 15.4% of pensionable salaries. Member contributions were 7.7%. As at the balance sheet date there were 13 active members of the Scheme employed by the Association. The Association continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers 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 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 to liabilities of £160 million, equivalent to a past service funding level of 64.8% .

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2010. 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 £335 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £162 million, equivalent to a past service funding level of 67.4%.

The key valuation assumptions used to determine the assets and liabilities of the Scheme as at 30th September 2009 were as follows:-

- Investment return pre retirement	7.40% per annum
- Investment return post retirement - Non-pensioners	4.60% per annum
- Investment return post retirement - Pensioners	4.80% per annum
- Rate of salary increases	4.50% per annum
- Rate of pension increases - pension accrued pre 6 April 2005	2.90% per annum
- pension accrued from 6 April 2005	2.20% per annum
(for leavers before 1 October 1993 pension increases are 5%)	
- Rate of price inflation	3.00% per annum

The valuation was carried out using the SAPS (SIPA) All Pensioners Year of Birth Long Cohort with 1% minimum improvement mortality tables for pensioners and non-pensioners.

The joint contribution rates required from employers and members to meet the cost of future benefit accrual for the final salary 60ths benefit structure was assessed as 19.2%.

This is split equally between employers and members . Accordingly the contribution rates for the Final salary 60ths benefit structure from 1 April 2011 is 9.6% employer contributions and 9.6% member contributions .

There is an additional employer rate for deficit contributions of 10.4% expressed in nominal pound terms for each employer increasing each 1 April in line with the rate of salary increases assumption. Earnings as at 30 September 2009 are used as the reference point for calculating the additional contributions.

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 buyout 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 the Scheme based on the financial position of the Scheme as at 30 September 2010. As of this date the estimated employer debt for the Association was £3,059,599.

Charing Cross Housing Association Limited

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