

COPPERWORKS HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012

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COPPERWORKS HOUSING CO-OPERATIVE LIMITED

ADVISERS AND REGISTERED OFFICE

FOR THE YEAR ENDED 31ST MARCH, 2012

Auditors

Armstrongs, Chartered Accountants
142 West Nile Street
Glasgow
G1 2RQ

Bankers

Clydesdale Bank plc
Head Office
30 St Vincent Street
Glasgow, G1

Legal advisors

T C Young & Co.
30 George Square
Glasgow
G2 1LH

Registered Office

Flat 0/1
284 Royston Road
Glasgow
G21 1JB

Registration particulars

Registered Housing Co-operative number: HAC 233

Financial Services Authority number: Industrial and Provident Societies Act 1965
Registration Number 2379

COPPERWORKS HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31ST MARCH, 2012

The Committee of Management present their report and the audited financial statements for the year ended 31st March, 2012.

Principal Activities

The principal activities of the Co-operative are the provision, construction, improvement and management of rented and shared-ownership accommodation. The results for the year are as shown in the attached Income and Expenditure Account. The surplus for the year after taxation was £56,735 (2011 - £15,058 restated).

Changes in Fixed Assets

Details of changes in fixed assets are set out in Notes 12-13.

Review of Business and Future Developments

Throughout the year the Committee continued to direct the Co-operative in carrying out its core business of providing, managing and maintaining affordable good quality rented accommodation.

The Committee of Management and Executive Officer

The Committee of Management and Executive Officer of the Co-operative are as follows:-

Executive Officer

J. Mulholland and C. Brien, acting executive officers for the term a management agreement which was concluded on 30th September 2011.

F. Murphy, the executive officer of Spire View Housing Association Limited provides executive management services on the basis of a service agreement.

Committee of Management

. M. Flynn	(Chairperson)	. R. McLaughlin	(Treasurer)
. J. Laing	(Vice-Chairperson)	. G. Russell	
. G. McLaughlin	(Secretary)	. V. Mullen	
. F. Dioka		. R. Gallagher	(Co-opted 06.12.11)
. M. Shepherd		. C. Dioka	(Removed 30.09.11)
			(Co-opted 06.12.11)

At the Annual General Meeting one third of all serving members of the Committee will retire from office and may stand for re-election (if eligible as per the model rules). The members to retire shall be those who have been longest in office since they last became members of the Committee, including those who have attained the age of seventy years or who have filled a casual vacancy.

Each member of the Committee of Management, with the exception of co-opted members, holds one fully paid share of £1 in the Co-operative. The Executive Officer of the Co-operative holds no interest in the Co-operative's share capital and although not having the legal status of a director, acts as an executive within the authority delegated by the Committee.

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COPPERWORKS HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31ST MARCH, 2012/Cont...

Corporate Governance

The Co-operative has complied throughout the accounting period with the Code of Best Practice published by the Cadbury Committee on the Financial Aspects of Corporate Governance in 1992.

In accordance with the requirements of Communities Scotland, the auditors have confirmed that they consider this statement appropriately reflects the Co-operative's compliance with those paragraphs of the Code of Best Practice 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 Paragraph 4.5 of the Code of Best Practice as supplemented by the related guidance for Management Committee and such statement is not inconsistent with the information of which they are aware from their audit work on the Financial Statements.

Statement of Committee's Responsibilities

Housing Association legislation requires the Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Co-operative and of the income and expenditure of the Co-operative for the year ended on that date. In preparing these financial statements, the 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;
- . Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Co-operative will continue in business;
- . Prepare a statement on internal financial control.

The Committee is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Co-operative and to enable it to ensure that the financial statements comply with the requirements of the Industrial and Provident Societies Acts 1965-2002, the Housing (Scotland) Act 2001 and the Registered Social Landlords (Accounting Requirements) (Scotland) Order 2007. It is also responsible for safeguarding the assets of the Co-operative and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to Disclosure of Information to Auditors

So far as the Committee are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Co-operative's auditors are unaware, and each Committee Member has taken all the steps that he or she ought to have taken as a Committee Member in order to make himself or herself aware of any relevant audit information and to establish that the Co-operative's auditors are aware of that information.

Auditors

A resolution to appoint the auditors, Armstrongs, will be proposed at the Annual General Meeting.

By order of the Committee



Secretary

Dated : 4th September 2012

COPPERWORKS HOUSING CO-OPERATIVE LIMITED
COMMITTEE STATEMENT ON THE CO-OPERATIVE'S
SYSTEM OF INTERNAL FINANCIAL CONTROL
FOR THE YEAR ENDED 31ST MARCH, 2012

The Committee acknowledge their ultimate responsibility for ensuring that the Co-operative has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

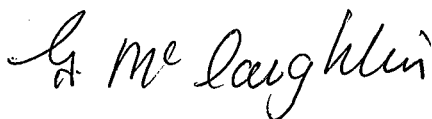
- . The reliability of financial information used within the Co-operative or for publication;
- . The maintenance of proper accounting records;
- . The safeguarding of assets (against unauthorised use or disposition).

It is the Committee's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements include ensuring that:

- . Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Co-operative's assets;
- . Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- . Forecasts and budgets are prepared regularly which allow the Committee and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term;
- . Regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate;
- . All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising Committee members and others;
- . The Committee review reports from management, from directors, staff and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Co-operative;
- . Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Committee have reviewed the effectiveness of the system of internal financial control in existence in the Co-operative for the year ended 31st March 2012 and until the below date. No weaknesses were found in internal financial controls, which resulted in material losses, contingencies, or uncertainties, which require disclosure in the financial statements or in the Auditor's Report on the financial statements.

By order of the Committee



Secretary

Dated: 4th September 2012

COPPERWORKS HOUSING CO-OPERATIVE LIMITED

REPORT OF THE AUDITORS ON THE COMMITTEE

STATEMENT ON THE CO-OPERATIVE'S SYSTEM OF INTERNAL FINANCIAL CONTROL

FOR THE YEAR ENDED 31ST MARCH, 2012

Corporate Governance

In addition to our audit of the financial statements, we have reviewed the Committee's statement on page four concerning the Co-operative's compliance with the information required by the section on internal financial control within SFHA's publication "Raising Standards in Housing".

Basis of Opinion

We carried out our review having regard to the Bulletin "Disclosures Relating to Corporate Governance" issued by the Auditing Practices Board. The Bulletin does not require us to review the effectiveness of the Co-operative's procedures for ensuring compliance with the Guidance Notes, nor to investigate the appropriateness of the reasons given for non-compliance.

Opinion

In our opinion the statement on internal financial control on page three has provided the disclosures required by the section on internal financial control within SFHA's publication "Raising Standards in Housing" and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

Through enquiry of certain Committee members, directors and officers of the Co-operative, and examination of relevant documents, we have satisfied ourselves that the Committee's Statement on Internal Financial Control appropriately reflects the Co-operative's compliance with the information required by the section on internal financial control within SFHA's publication "Raising Standards in Housing".



Adam Armstrong, LLB, CA, (Senior Statutory Auditor),
for and on behalf of Armstrongs,
Statutory Auditor,
Chartered Accountants,
Victoria Chambers,
142, West Nile Street,
Glasgow,
G1 2RQ.

Date: 13th September 2012

REPORT OF THE INDEPENDENT AUDITORS TO

THE MEMBERS OF COPPERWORKS HOUSING CO-OPERATIVE LIMITED

We have audited the financial statements for the year ended 31st March 2012 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Registered Social Landlords (Accounting Requirements) (Scotland) Order 2007.

This report is made solely to the Co-operative's members, as a body, in accordance with Industrial and Provident Societies Acts 1965 to 2002. Our audit work has been undertaken so that we might state to the Co-operative'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 Co-operative and the Co-operative's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Committee and Auditors

As explained more fully in the Statement of Committee's Responsibilities, the Committee are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Co-operative's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Committee, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Co-operative's affairs as at 31st March 2012 and of its surplus for the year then ended;
- and
- have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, Schedule 1, the Housing (Scotland) Act 2001 and the Registered Social Landlords (Accounting Requirements) (Scotland) Order 2007.

Opinion on Committee Report

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

Matters on which we are required to report

We have nothing to report in respect of the following matters where the current legislation requires us to report to you if, in our opinion:

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



Adam Armstrong, LLB, CA, (Senior Statutory Auditor),
for and on behalf of Armstrongs,
Statutory Auditor,
Chartered Accountants,
Victoria Chambers,
142, West Nile Street,
Glasgow,
G1 2RQ.

Dated: 13th September 2012

COPPERWORKS HOUSING CO-OPERATIVE LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2012

	Notes	2012 £	Restated 2011 £
Turnover	2	781,109	741,466
Operating Costs	2	654,181	684,007
Operating Surplus	8	<u>126,928</u>	<u>57,459</u>
Gain (Loss) on Sale of Housing Property	5	-	9,326
Interest Receivable and Other Income	9	737	615
Interest Payable and Similar Charges	10	(30,692)	(31,177)
Surplus on ordinary activities before taxation		<u>96,973</u>	<u>36,223</u>
Tax on (charge)/credit on ordinary activities	11	(40,238)	(21,165)
Surplus on ordinary activities after taxation		<u><u>56,735</u></u>	<u><u>15,058</u></u>

The results for the year relate wholly to continuing activities.

COPPERWORKS HOUSING CO-OPERATIVE LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31ST MARCH 2012

	2012	Restated
	£	2011
		£
Surplus for the financial year	56,735	<u>15,058</u>
Prior year adjustment	429,097	
Total gains and losses recognised since last annual report	<u>485,832</u>	

COPPERWORKS HOUSING CO-OPERATIVE LIMITED
NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS
FOR THE YEAR ENDED 31ST MARCH 2012

	2012	Restated
	£	2011
		£
Reported surplus on ordinary activities before taxation	96,973	36,223
Difference between historical cost depreciation and the actual charge for the year calculated on the revalued amount	44,595	44,595
Realisation of property revaluation gains of previous years	-	13,704
Historical cost surplus on ordinary activities before taxation	<u>141,568</u>	<u>94,522</u>
Historical cost surplus on ordinary activities after taxation	<u>101,330</u>	<u>73,357</u>

COPPERWORKS HOUSING CO-OPERATIVE LIMITED

BALANCE SHEET

AS AT 31ST MARCH, 2012

	Notes	2012 £	Restated 2011 £
Tangible Fixed Assets			
Housing Properties	12	5,539,210	5,642,849
Other	13	<u>133,032</u>	<u>129,492</u>
		<u>5,672,242</u>	<u>5,772,341</u>
Current Assets			
Investments	14	793,869	634,493
Debtors	15	112,202	109,191
Cash at Bank and in Hand		<u>54,261</u>	<u>69,502</u>
		960,332	813,186
Creditors : amounts falling due within one year	16	(174,560)	(135,908)
Net Current Assets/(Liabilities)		<u>785,772</u>	<u>677,278</u>
Total Assets less Current Liabilities		6,458,014	6,449,619
Creditors : amounts falling due after more than one year	17	(1,232,888)	(1,281,230)
Net Assets		<u>5,225,126</u>	<u>5,168,389</u>
Capital and Reserves			
Share Capital	18	180	178
Designated Reserves	19	490,095	490,095
Revaluation Reserve	20	3,731,412	3,776,007
Accumulated Surplus	23	<u>1,003,439</u>	<u>902,109</u>
		<u>5,225,126</u>	<u>5,168,389</u>

These financial statements were approved by the Committee on and signed on *14th September 2012* their behalf by:

M. Flynn

Chairperson

[Signature]

Committee Member

G. McLaughlin

Secretary

COPPERWORKS HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012

1. Principal Accounting Policies

The Co-operative is incorporated under the Industrial and Provident Societies Act 1965 and is registered by the Financial Services Authority.

The financial statements have been prepared under the historical cost convention in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by registered social landlords (2008) and the Registered Social Landlords (Accounting Requirements) (Scotland) Order 2007. A summary of the more important accounting policies is set out below.

Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from the Scottish Housing Regulator, local authorities and other agencies.

Housing Properties

Housing Properties are stated at cost, less social housing and other public grants and less accumulated depreciation. Improvements are capitalised where these result in an enhancement of the economic benefits of the property. Such enhancement can occur if the improvements result in an increase in rental income, a material reduction in future maintenance costs or a significant extension of the life of the property. Works to existing properties, which fail to meet the above criteria, are charged to the Income and Expenditure Account.

Reviews for impairment of housing properties are carried out regularly and any impairment in an income-generating unit is recognised by a charge to the Income and Expenditure Account. Impairment is recognised where the carrying value of an income-generating unit exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows from these units. Impairment of assets would be recognised in the Income and Expenditure Account.

Depreciation - housing properties

The Co-operative adopted component accounting during the financial year. Properties other than heritable land are depreciated in accordance with FRS15 at rates calculated to reduce net book value of each component of the property to its estimated residual value, on a straight line basis, over the expected remaining life of the component. Heritable land is not depreciated. The estimated useful lives of the assets and components is shown in the table below.

Building	100 years	Radiators	30 years
Roof	50 years	Boilers	15 years
Electrical systems	30 years	Bathrooms	22 years
Windows	30 years	Kitchens	15 years

The year to March 2012 represents the first full year of implementation of component accounting (prior to this only three components - land, building and grant were recognised).

Other Fixed Assets

Other fixed assets are stated at cost less accumulated depreciation. Depreciation is charged by equal instalments commencing with the year of acquisition at rates estimated to write off costs less any residual value over the expected economic useful lives at annual rates :-

Furniture and Fittings	- 20% Reducing Balance
Computer Equipment	- 33% Straight Line
Offices	- 2% Straight Line

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COPPERWORKS HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012

1. Principal Accounting Policies/Cont...

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 those developments have 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 sale.

Capitalisation of Interest

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

Sales of Housing Properties

First tranche Shared Ownership disposals are credited against the cost of Shared Ownership property in accordance with the Statement of Recommended Practice.

Surpluses and deficits on the sale of housing properties, including second and subsequent tranches of Shared Ownership properties are accounted for in the Income and Expenditure account in the year of disposal.

The surplus or deficit is shown on the face of the Income and Expenditure Account.

Stock and Work in Progress

Work in progress consists of properties developed for resale by the Co-operative, and has been valued at the lower of cost, net of related grants, and resale value.

Designated Reserves

The Co-operative has designated part of its long term obligations as follows :-

Planned Maintenance

The reserve is based on the Co-operative's ability to maintain its properties in accordance with a planned programme of works provided it will not be met from revenue in the year in which it is incurred.

The Co-operative maintains its housing properties in a state of repair which at least maintains their residual value in prices prevailing at the time of acquisition and construction. Provision is made for such future repair expenditure by transfers to this reserve. Previously for some schemes the reserve was established by transfers from the Rent Surplus Fund as directed by the Scottish Housing Regulator.

Pension Costs

The Co-operative participates in the centralised SFHA defined benefit pension scheme and retirement benefits to employees of the Co-operative are funded by 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.

The expected costs to the Co-operative of pension are charged to the income and expenditure accounts so as to spread the cost of pensions over the service lives of employees.

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COPPERWORKS HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012

1. Principal Accounting Policies/Cont...

Development Administration Costs

Administration expenses which relate to development and are incremental to the other costs on the Co-operative are capitalised.

Mortgages

Mortgage loans are advanced by Private Lenders, Local Authorities or the Scottish Housing Regulator under the terms of individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments which have been given approval by the Scottish Development Department or the Scottish Housing Regulator.

COPPERWORKS HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012/Cont...

2. Particulars of Turnover, Operating Costs and Operating Surpluses

	2012		
	Turnover £	Operating Costs £	Operating Surplus £
Social Lettings	774,178	649,970	124,208
Other Activities	6,931	4,211	2,720
Total	<u>781,109</u>	<u>654,181</u>	<u>126,928</u>

	Restated 2011		
	Turnover £	Operating Costs £	Operating Surplus £
Social Lettings	735,071	679,308	55,763
Other Activities	6,395	4,699	1,696
Total	<u>741,466</u>	<u>684,007</u>	<u>57,459</u>

COPPERWORKS HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012/Cont...

3. Particulars of Income and Expenditure from Lettings

	General Needs Housing £	Restated 2011 Total £
Income from Lettings		
Rent receivable net of identifiable service charges	774,593	736,797
Less: voids	(415)	(1,726)
Total turnover from social letting activities	<u>774,178</u>	<u>735,071</u>
Expenditure on Lettings		
Management and maintenance administration costs	362,683	365,036
Reactive Maintenance	67,037	93,322
Planned and cyclical maintenance including major repairs	104,548	106,610
Depreciation of social housing	106,639	106,843
Bad Debts	9,063	7,497
Operating costs for social letting activities	<u>649,970</u>	<u>679,308</u>
Operating surplus for social lettings for 2012	<u>124,208</u>	<u>55,763</u>
Operating surplus for social lettings for 2011 - Restated	<u>55,763</u>	

No service charges were receivable on housing accommodation not eligible for Housing Benefit £Nil (2011 - £Nil).

4. Particulars of Turnover, Operating Costs and Surpluses from Other Activities

	Other Income £	Operating Costs £	2012 Total £	Restated 2011 Total £
Factoring	6,925	1,851	5,074	4,052
Forfeited Shares	6	-	6	4
Amortisation of investment	-	2,360	(2,360)	(2,360)
Total for Other Activities 2012	<u>6,931</u>	<u>4,211</u>	<u>2,720</u>	<u>1,696</u>
Total for Other Activities 2011	<u>6,395</u>	<u>4,699</u>	<u>1,696</u>	

5. Profit/(Loss) on Sale of Fixed Assets

	2012 £	2011 £
Proceeds from sale of fixed asset	<u>-</u>	<u>28,200</u>
Less: Cost of sales		
Value of property, inclusive of depreciation	-	18,278
Legal and valuation costs	-	596
	<u>-</u>	<u>18,874</u>
	<u>-</u>	<u>9,326</u>

COPPERWORKS HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012/Cont...

6. Directors Emoluments

The remuneration paid to the directors (defined as the Committee of Management and Chief Executive of Copperworks Housing Co-operative Limited) was:-

	2012	Restated
	£	2011
		£
Total Emoluments (including pension contributions and benefits in kind)	<u>-</u>	<u>25,110</u>
Total Emoluments (excluding pension contributions) to the highest paid director amounted to	<u>-</u>	<u>22,338</u>

The Co-operative is managed by a voluntary Management Committee who act as directors of the Co-operative. No emoluments were paid to any member of the Management Committee during the year.

Total expenses reimbursed to the Committee in so far as not chargeable to United Kingdom Income Tax	<u>1,204</u>	<u>670</u>
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7. Employee Information

The monthly average number of full time equivalent employees during the year was :-

	<u>6</u>	<u>7</u>
Staff costs (including Executive Emoluments)		
Wages and Salaries	149,115	173,604
Social Security Costs	12,335	14,146
Pension Contributions	24,190	14,739
	<u>185,640</u>	<u>202,489</u>

8. Operating Surplus

Operating surplus is stated after charging:-

Depreciation - Property	106,639	106,610
- Other Assets	9,819	5,410
Auditor's Remuneration - External	3,974	3,161
Auditor's Remuneration - Internal	624	2,871
Bad Debts	9,063	7,497
Amortisation of Investment	2,360	2,360

9. Interest Receivable and Similar Income

	2012	2011
	£	£
Interest Receivable	<u>737</u>	<u>615</u>

10. Interest Payable and Similar Charges

	2012	2011
	£	£
Other interest payable	<u>30,692</u>	<u>31,177</u>

COPPERWORKS HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012/Cont...

11. Taxation

Analysis of the tax (credit)/charge	2012	Restated
	£	2011
		£
UK Corporation Tax at 20% (2011 - 21%)	<u>40,238</u>	<u>21,165</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2012	Restated
	£	2011
		£
Surplus on ordinary activities before tax	<u>96,973</u>	<u>36,223</u>
Deficit on ordinary activities		
Multiplied by the standard rate of corporation tax in the UK of 20% (2011 - 21%)	19,394	7,607
Effects of:		
Depreciation in excess of capital allowances	20,844	10,571
Property disposal	<u>-</u>	<u>2,987</u>
	40,238	21,165
Current tax charge	<u>40,238</u>	<u>21,165</u>

COPPERWORKS HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012/Cont...

12. Tangible Fixed Assets - Housing Properties

	Housing Property held for Letting £	Environment Works £	Total £
Cost (Net of Grants) or Valuation			
At 01.04.11 - Restated	5,544,643	634,373	6,179,016
Additions	11,630	3,000	14,630
At 31.03.12	<u>5,556,273</u>	<u>637,373</u>	<u>6,193,646</u>
Housing Association Grant			
At 01.04.11	6,410	364,079	370,489
Received	11,630	-	11,630
At 31.03.12	<u>18,040</u>	<u>364,079</u>	<u>382,119</u>
Other Grants			
At 01.04.11	-	30,000	30,000
Received	-	-	-
At 31.03.12	<u>-</u>	<u>30,000</u>	<u>30,000</u>
Depreciation			
At 01.04.11 - Restated	104,440	31,238	135,678
Charge for Year	103,816	2,823	106,639
At 31.03.12	<u>208,256</u>	<u>34,061</u>	<u>242,317</u>
Net Book Value at 31.03.12	<u>5,329,977</u>	<u>209,233</u>	<u>5,539,210</u>
Net Book Value at 31.03.11 - Restated	<u>5,433,793</u>	<u>209,056</u>	<u>5,642,849</u>

No development administration costs were capitalised during the year.

Completed housing properties were revalued on the basis of existing use value for social housing at 24th August 2010 by CRGP Robertson LLP, Chartered Surveyors. The valuation report has been made in accordance with the RICS Appraisal and Valuation Manual. The Committee do not believe that the values would have been materially different at the balance sheet date.

If housing property had not been revalued, it would have been shown as the following:

	2012 £	Restated 2011 £
Cost of Properties	13,639,250	13,627,619
Less: Social Housing and Other Grants	<u>11,232,535</u>	<u>11,220,904</u>
	2,406,715	2,406,715
Less: Depreciation	<u>601,497</u>	<u>539,873</u>
	<u>1,805,218</u>	<u>1,866,842</u>

COPPERWORKS HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012/Cont...

13. Tangible Fixed Assets - Other Fixed Assets

	Office Premises £	Fixtures & Fittings £	Computer Equipment £	Total £
Cost				
At 01.04.11	171,082	52,966	60,656	284,704
Additions	-	-	13,359	13,359
Disposals	-	-	(60,656)	(60,656)
At 31.03.12	<u>171,082</u>	<u>52,966</u>	<u>13,359</u>	<u>237,407</u>
Depreciation				
At 01.04.11	49,545	45,011	60,656	155,212
Charge for the year	3,422	1,944	4,453	9,819
Disposals	-	-	(60,656)	(60,656)
At 31.03.12	<u>52,967</u>	<u>46,955</u>	<u>4,453</u>	<u>104,375</u>
Net book value at 31.03.12	<u>118,115</u>	<u>6,011</u>	<u>8,906</u>	<u>133,032</u>
Net book value at 31.03.11	<u>121,537</u>	<u>7,955</u>	<u>-</u>	<u>129,492</u>

14. Investments

The Co-operative has made a capital contribution to Streetwatch North which has been used to fund the purchase of CCTV cameras to improve safety in the area. This investment is being amortised over a period of ten years, the estimated useful life of the system.

	2012 £	2011 £
At 01.04.11	4,720	7,080
Amortisation	(<u>2,360</u>)	(<u>2,360</u>)
	2,360	4,720
Deposit Accounts	791,509	629,773
	<u>793,869</u>	<u>634,493</u>

15. Debtors

	2012 £	2011 £
Rental Debtors	25,611	36,576
Prepayments and Accrued Income	60,690	51,010
Other Debtors	25,901	21,605
	<u>112,202</u>	<u>109,191</u>

COPPERWORKS HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012/Cont...

	2012	2011
	£	£
16. Creditors due within one year		
Loans	43,647	37,844
Rent Overpayments	31,239	33,573
Trade Creditors	508	1,293
Other Creditors	55,094	39,099
Taxation	40,238	21,165
Other taxes and social security	3,834	2,934
	<u>174,560</u>	<u>135,908</u>

	2012	2011
	£	£
17. Creditors due outwith one year		
Loans	<u>1,232,888</u>	<u>1,281,230</u>

Loans are secured by specific charges on the Co-operative's properties and repayable at rates of interest ranging from 1.392% to 2.255% (2011 - 1.087% to 1.198%), and will mature over a period of one to twenty one years in instalments as follows:-

	2012	2011
	£	£
Loans		
Between one and two years	44,641	39,077
Between two and five years	140,119	125,036
In five years or more	<u>1,048,128</u>	<u>1,117,117</u>
	<u>1,232,888</u>	<u>1,281,230</u>

	2012	2011
18. Share Capital		
Ordinary Shares of £1 each		
Allotted, issued and fully paid		
At 01.04.11	178	166
Issued during year	8	16
Forfeited during year	(6)	(4)
Balance at 31.03.12	<u>180</u>	<u>178</u>

Each shareholder of the Co-operative holds only one share and is entitled to vote at general meetings of the Co-operative. These shares carry no right to dividend or distribution 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 Co-operative. Each member has a right to vote at member meetings.

	Planned Maintenance Reserve £
19. Designated Reserves	
Balance at 01.04.11	490,095
Transfers : to Income & Expenditure A/c	-
Balance at 31.03.12	<u>490,095</u>

COPPERWORKS HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012/Cont...

20. Revaluation Reserve

	2012	Restated
	£	2011
		£
At 01.04.11	3,776,007	3,834,306
Transferred on Right to Buy Sales	-	(13,704)
Depreciation Adjustment	(44,595)	(44,595)
At 31.03.12	<u>3,731,412</u>	<u>3,776,007</u>

21. Pensions

The Co-operative participates in the Scottish Housing Associations' Pension Scheme ('the Scheme'). The Scheme is funded and is contracted out of the State Pension scheme.

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 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 30th 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 30th 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%.

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 currently participating 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 performances, 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 Co-operative has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the SFHA scheme based on the financial position of the scheme as at 30th September 2011. As of that date the estimated employer debt for the Co-operative was £577,524.

The total pension cost for the Co-operative was £24,190 (2011 : £14,739) of which £1,934 (2011 : £902) was unpaid and is included in creditors.

COPPERWORKS HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012/Cont...

22. Legislative Provisions

The Co-operative is incorporated under the Industrial and Provident Societies Act 1965.

23. Reconciliation of movement in accumulated surplus

	2012	Restated 2011
	£	£
Revenue Reserve b/fwd	902,109	828,752
Surplus for the year	56,735	15,058
Transfer from revaluation reserve	44,595	58,299
	<u>1,003,439</u>	<u>902,109</u>

24. Contingent Liability

The Co-operative purchased stock from Communities Scotland during 1997. The purchase price for the stock was calculated in accordance with a 30 year discounted cash flow. However, because of the contractual sale terms imposed by Communities Scotland, there is potential for further payment over this period in respect of Right-to-Buy sales exceeding projections or major repairs spend being less than forecast. The Scottish Government has confirmed the process to be adopted that will result in cessation of contract agreements. This process is currently being followed by the Co-operative and it is expected that no liability shall arise in respect of any repayments to the Scottish Government.

25. Housing Stock

2012 2011

The number of units of accommodation in management at the year end was :-

General Needs - Rehabilitation	<u>272</u>	<u>272</u>
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26. Related Party Transactions

The members of the Management Committee are tenants of the Co-operative. Their tenancies are held on the normal tenancy terms and they cannot use their positions to their advantage.

J Mulholland and C Brien are employees of Bridges Housing Association Limited who received £19,341 (2011 £26,097) in respect of the provision of management services. The service agreement expired on 30th September 2011.

F Murphy, the executive officer of Spire View Housing Association Limited, provided management services at a cost of £20,462. At the year end £10,562 was outstanding and is included in creditors due within one year.

Copperworks Housing Co-operative Limited provided services to Spire View Housing Association Limited at a value of £8,333. At the year end £8,333 was outstanding and is included in debtors.

27. Capital Commitments

2012 2011
£ £

Expenditure authorised and contracted less certified	<u>-</u>	<u>-</u>
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COPPERWORKS HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2012/Cont...

28. Finance Leases

Obligations under hire purchase contracts and finance leases:-

	2012 £	2011 £
Finance lease due within one year	1,127	2,081
Finance leases due between one and five years	<u>3,381</u>	<u>4,508</u>
	<u>4,508</u>	<u>6,589</u>

29. Prior Year Adjustment

During the year the Co-operative changed its accounting policy in relation to housing properties and depreciation, as detailed in Note 1 of the Financial Statements, in order to incorporate component accounting. Major repairs that relate to identified components are capitalised, with major components being depreciated over the estimated useful economic lives of each identified component.

As a result of the change in accounting policy, a prior year adjustment has been required under Financial Reporting Standard 3 - Reporting Financial Performance as follows:

Components replaced	£ 521,506
Social Housing Grant written off	£ 128,467

The overall effect of these adjustments was to decrease the revaluation reserves, increase the revenue reserve from £427,407 to £828,752 and decrease the revaluation reserve from £4,256,426 to £3,834,306.

Of the prior year adjustment, £65,642 related to 2011 in respect of major repairs capitalised of £58,061 and additional property depreciation credited of £7,581. This resulted in the surplus reported for the year ended 31st March 2011 increasing from a deficit of £50,584 to a surplus of £15,058.