

Craigdale Housing Association Limited

Report and Financial Statements

For the year ended 31st March 2011

Registered Housing Association No. HCB 95

FSA Reference No. 2296R(S)

Scottish Charity No. SC031879

CRAIGDALE HOUSING ASSOCIATION LIMITED

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MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS
YEAR ENDED 31st MARCH 2011

MANAGEMENT COMMITTEE

Patsy Beaton
Joan Sutherland
Ann Strain
Margaret Welsh
Enzina McMillan
Christine McCormack
Ann Booth
Marie Lawrence
Miss Catherine Sinclair
Mrs Catherine Sinclair
Morag Cameron
Lee Kerr

EXECUTIVE OFFICERS
Elizabeth McGinniss

Director

REGISTERED OFFICE
83-85 Dougie Road
Castlemilk
Glasgow
G45 9NS

AUDITORS
Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow
G2 7HF

BANKERS
Bank of Scotland
82 Main Street
Rutherglen
Glasgow
G73 2HZ

SOLICITORS
Brechin Tindall Oats
48 St Vincent Street
Glasgow
G2 5HS

FINANCE AGENTS
Reidvale Housing Association
13 Whitevale Street
Glasgow
G31 1QW

Natlain Duncan & Co
534 Sauchiehall Street
Glasgow
G2 3LX

The Management Committee presents its report and the Financial Statements for the year ended 31st March 2011.

Legal Status

The Association is a registered non-profit making organisation under the Industrial and Provident Societies Act 1965 No.2296R(S). The Association is constituted under its Rule Book. The Association is a registered Scottish Charity with the charity number SC031879.

Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation. The Association also aims to be a caring landlord to our tenants and endeavours to provide services and social events throughout the year to reduce isolation and encourage participation within our community.

Review of Business and Future Developments

Review of the Year

This is the Association's 22nd year of operation and without a doubt the changes we have brought about in our area have certainly contributed to the regeneration of Castlemilk as a whole.

Staff and Committee of the Association have continued to work hard over the past year to provide a quality service to all our tenants, owners and service users. Our website means we can be accessed 24 hours a day. In addition to applying for a house, tenants can pay rent, report repairs and download newsletters etc.

The Association maintained our Bronze status with Investors in People Accreditation and achieved recognition for maintaining Investors in People for the past ten years. We achieved Accreditation from the Scottish National Standard for Information and Advice Providers which means we are recognised as an organisation who offers a high level of information on certain areas of operation.

Housing Management

The Association employed a Trainee (Danielle Symon) on a 3 year contract to supplement our current Housing Services Team of Lorraine Quinn (Housing Services Manager) Angela Hughes (Housing Services Officer) and Lisa McIlroy (Housing Services Assistant). They had another busy but successful year, particularly in achieving all the targets set by the Association.

We let 9 houses throughout the year without any loss of rental income and our rent arrears level reduced yet again to 0.85% of the net annual rental income. Staff dealt with 26 complaints of anti-social behaviour and all were resolved without recourse of court action or eviction. Our staff continue to carry out weekly estate management visits of our properties to ensure our high standards are maintained.

Review of Business and Future Developments (Contd.)

Maintenance

The Association again provided an excellent repairs service to our tenants where we achieved tremendous response times by our Contractors. In total, tenants reported 1447 repairs all of which were completed within our very challenging timescales.

We undertook a programme of boiler replacement in Phase 3 and 5 of our stock which resulted in extremely high levels of tenant satisfaction.

Tenant Participation

Our panel of tenants are still very involved in the review process of our policies and procedures. Staff and Committee still have an opportunity to make comments and discuss policies prior to Full Management Committee Approval.

During the year the following documents were reviewed:

- Finance Procedures
- Finance & Audit Sub-Committee Remit
- Tenants Alterations & Improvements
- Code of Conduct
- Visiting Applicants
- Whistle Blowing
- Internal Transfer
- Rechargeable Repairs
- Risk Management
- Maintenance Policy & Procedures
- Applications Procedures
- Permission to Reside

Community Involvement

The Community Events Group have done a tremendous job this year organising events free of charge for tenants as follows:

- Over 50's - Highland Tour
- Fathers Day Treat (received vouchers for East Kilbride shopping)
- Just a Dream (received voucher for Frankie & Benny's)
- Family Day Trip to M & D's
- Halloween Party
- Christmas Party
- Over 50's - Christmas Party
- Christmas Hampers (five families received vouchers for Iceland)
- International Women's Day - Celebrated America
- Mothers Day Treat (one mum received vouchers for a pamper session and one mum received voucher for East Kilbride shopping)

Review of Business and Future Developments (Contd.)

Committee and Staff participated in the Castlemillk Fun Day where our High School Musical Student Committee did some face painting, slam dunking, bean bag throwing. In addition, staff and committee participated in fundraising events and raised £2,931.08 for the following charities:

- CHAS
- 10 k
- Wear it Pink - Breast Cancer Campaign
- Danielle McIlroy - Commonwealth Games
- Help for Heroes
- Epilepsy Scotland
- Royal National Lifeboat Institution
- St. Margaret Mary's Church Hall
- Beatson Pebble Appeal - Fire Walk
- Prince & Princess of Wales Hospice
- St Margaret Mary's Railings Appeal
- Muscular Dystrophy

Factoring Service

We have continued to provide an excellent value for money service to our 28 owner occupiers and sharing owners in the vicinity.

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.

The members of the Management Committee are also Trustees of the Charity. Members of the Management Committee are appointed by the members at the Association's Annual General Meeting.

Statement of Management Committee's Responsibilities

The Industrial and Provident Societies Act 1965 to 2002 require 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 judgments 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 the going concern basis unless it is inappropriate to presume that the Association will continue in business;

• prepare a statement on Internal Financial Control.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to ensure that the Financial Statements comply with the Industrial and Provident Societies Act 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007. 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. It is also responsible for ensuring the Association's suppliers are paid promptly.

The Management Committee must in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Management Committee are aware:

• There is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Association's auditors are unaware, and

• The Management Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's auditors are aware of that information.

Statement on Internal Financial Control

The Management Committee acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the Association, or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition;
- it is the Management 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 mis-statement of Loss. Key elements of the Association's systems include ensuring that:

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;

- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;

- forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;

- regular financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate

- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;

- the Management Committee receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken;

- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

Auditors

A resolution to re-appoint the Auditors, Alexander Sloan, Chartered Accountants, will be proposed at the Annual General Meeting.

By order of the Management Committee

ANN STRAIN
Secretary
06 June 2011



REPORT BY THE AUDITORS TO THE MANAGEMENT COMMITTEE OF
CRAIGDALE HOUSING ASSOCIATION LIMITED
ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on Page 6 concerning the Association'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 requirements relating to corporate governance matters within Bulletin 2006/5 issued by the Auditing Practices Board. The Bulletin does not require us to review the effectiveness of the Association'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 6 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 members of the Management Committee and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the section on Internal Financial Control within SFHA's "Raising Standards in Housing".

Alexander Sloan

ALEXANDER SLOAN
Chartered Accountants

GLASGOW
06 June 2011

We have audited the financial statements of Craigdale Housing Association Limited for the year ended 31st March 2011 which comprise an income and expenditure account, balance sheet, cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members, as a body, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditors' 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 Management Committee and Auditors

As explained more fully in the Statement of Management Committee's Responsibilities the Association's Management Committee are responsible for the preparation of the Financial Statements that 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 on 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 Management Committee's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

Opinion on the financial statements

In our opinion the Financial Statements:

• give a true and fair view of the state of the Association's affairs as at 31st March 2011 and of its income and expenditure for the year then ended;

• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

• have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007.

Matters on which we are required to report by exception

We are required to report to you under the Industrial and Provident Societies Acts 1965 to 2002 if, in our opinion:

• proper books of account have not been kept by the Association in accordance with the requirements of the legislation;

• a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation.

Matters on which we are required to report by exception (contd.)

- the financial statements are not in agreement with the books of account.
 - we have not received all the information and explanations necessary for the purposes of our audit.
- We have nothing to report in respect of these matters.

Alexander Sloan

ALEXANDER SLOAN
Chartered Accountants
Statutory Auditors
GLASGOW

06 June 2011

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

	2011	2010	Notes
TURNOVER	1,203,480	1,190,119	
Operating Costs	(823,502)	(980,072)	
OPERATING SURPLUS	379,978	210,047	
(Loss) / Gain On Sale Of Housing Stock	(4,490)	11,246	7.
Interest Receivable and Other Income	10,961	10,925	
Interest Payable and Similar Charges	(78,279)	(89,017)	8.
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	(71,808)	(66,846)	
Tax on surplus on ordinary activities	-	-	10.
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION	308,170	143,201	

All amounts relate to continuing activities. All recognised surpluses and deficits have been included in the Income & Expenditure Account. Historical cost surpluses and deficits are identical to those shown in the accounts.

CRAIGDALE HOUSING ASSOCIATION LIMITED

BALANCE SHEET AS AT 31st MARCH 2011

	Notes	2011	2010
TANGIBLE FIXED ASSETS		£	£
Housing Properties - Depreciated Cost	11.(a)	23,344,697	23,446,153
Less: Social Housing Grant	11.(a)	(18,122,718)	(18,122,718)
: Other Public Grants	11.(a)	(343,000)	(343,000)
Other fixed assets	11.(b)	4,878,979	4,980,435
		189,786	197,033
CURRENT ASSETS		5,068,765	5,177,468
Debtors	13.	61,498	63,058
Cash at bank and in hand		1,398,914	1,308,628
		1,460,412	1,371,686
CREDITORS: Amounts falling due within one year	14.	(338,786)	(408,487)
NET CURRENT ASSETS		1,121,626	963,199
TOTAL ASSETS LESS CURRENT LIABILITIES		6,190,391	6,140,667
CREDITORS: Amounts falling due after more than one year	15.	(3,916,864)	(4,175,313)
NET ASSETS		2,273,527	1,965,354
CAPITAL AND RESERVES			
Share Capital	17.	178	175
Designated Reserves	18.(a)	1,543,000	1,543,000
Revenue Reserves	18.(b)	730,349	422,179
		2,273,527	1,965,354

The Financial Statements were approved by the Management Committee and signed on their behalf on 06 June 2011.

Patsy Beator
 Patsy Beator
 Chairperson

Joan Sutherland
 Joan Sutherland
 Vice-Chairperson

Ann Strain
 Ann Strain
 Secretary

CRAIGDALE HOUSING ASSOCIATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED
31st MARCH 2011

	Notes	2011	2010
		£	£
Net Cash Inflow from Operating Activities	16.	478,258	344,089
Returns on Investment and Servicing of Finance		10,961	12,416
Interest Received			
Interest Paid		(76,520)	(89,652)
Net Cash Outflow from Investment and Servicing of Finance		(65,559)	(77,236)
Capital Expenditure and Financial Investment			
Acquisition and Construction of Properties			(40,716)
Purchase of Other Fixed Assets		(2,002)	(38,712)
Social Housing Grant Repaid		(56,083)	
Proceeds on Disposal of Properties		-	96,679
Net Cash (Outflow) / Inflow from Capital Expenditure and Financial Investment		(58,085)	17,251
Net Cash Inflow before use of Liquid Resources and Financing		354,614	284,104
Change in short term deposits with banks		-	-
Financing			
Loan Advances Received			
Loan Redemption Payments			
Loan Principal Repayments			
Share Capital Issued		(264,335)	(269,085)
Net Cash Outflow from Financing		(264,328)	(269,078)
Increase in Cash	16.	90,286	15,026

Basis Of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords 2008, and on the historical cost basis. They also comply with 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.

Retirement Benefits

The Association participates in the Scottish Housing Associations' 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.

Valuation Of Housing Properties

Housing Properties are stated at cost, less social housing and other public grants and less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the properties at an annual rate of 2%. Land is not depreciated. Housing Properties are reviewed for impairment if events or circumstances indicate that the carrying value is higher than the recoverable amount.

Depreciation And Impairment Of Other Fixed Assets

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

Office Premises	2%
Furniture and Fixings	25%
Computer Equipment	33.33%
Office Equipment	20%

The carrying value of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Social Housing Grant And Other Grants In Advance/Arrears

Where developments have been financed wholly or partly by Social Housing Grant or other capital grants, the cost of those 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 sale.

Sales Of Housing Properties

First tranche Shared Ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the Statement of Recommended Practice, disposals of subsequent tranches are treated as fixed asset disposals with the gain or loss on disposal shown in the Income and Expenditure Account.

Disposals of housing property under the Right to Buy scheme are treated as a fixed asset disposal and any gain and loss on disposal accounted for in the Income and Expenditure Account.

Leases/Leased Assets

Costs in respect of operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their useful lives.

Works to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

Capitalisation Of Development Overheads

Directly attributable development administration costs relating to development activities are capitalised in accordance with the Statement of Recommended Practice.

Development Interest

scheme.

Designated Reserves

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

The Planned Maintenance Reserve has been designated to meet future repairs and maintenance obligations in accordance with a planned programme of works. These works are planned to ensure that properties are maintained in a state of repair which at least maintains their residual prices prevailing at the time of acquisition and construction.

CRAIGDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Notes	2011		2010	
	Operating Surplus / (Deficit) £	Turnover £	Operating Costs (Deficit) £	Turnover £
Social Lettings	3	1,202,670	389,206	1,187,660
Other Activities	4	810	(9,228)	2,459
Total		1,203,480	379,978	1,190,119
		823,602	379,978	980,072
		10,038	(9,228)	8,464
		1,202,670	389,206	1,187,660
		810	(9,228)	2,459
		1,203,480	379,978	1,190,119
		823,602	379,978	980,072
		10,038	(9,228)	8,464
		1,202,670	389,206	1,187,660
		810	(9,228)	2,459
		1,203,480	379,978	1,190,119

2. PARTICULARS OF INCOME & EXPENDITURE FROM SOCIAL LETTINGS

	2011		2010	
	Income from Lettings £	Housing Needs £	Shared ownership £	Total £
Rent Receivable Not of Identifiable Service Charges	1,187,861	1,187,861	1,188,009	1,175,267
Gross Rents Receivable	1,187,861	1,187,861	1,188,009	1,175,267
Less: Rent losses from voids	-	-	-	-
Net Rents Receivable	1,187,861	1,187,861	1,188,009	1,175,267
Revenue Grants from Scottish Ministers	4,667	4,667	-	12,393
Total Income From Social Letting	1,192,522	1,192,522	1,188,009	1,187,660
Expenditure on Social Letting Activities				
Service Costs				
Management and maintenance administration costs	392,663		3,354	413,684
Reactive Maintenance	92,842		793	93,635
Rent Debts - Rents and Service Charges	1,403		-	1,403
Planned and Cyclical Maintenance, including Major Repairs	219,180		1,876	221,056
Depreciation of Social Housing	100,227		1,229	101,456
Operating Costs of Social Letting	806,215		7,249	813,464
Operating Surplus on Social Letting Activities	386,307		2,839	389,206
	214,278		1,774	216,052

CRAIGDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Grants			Supporting People		Other Income		Total Turnover		Operating Costs		Operating Costs		Operating Surplus / (Deficit)	
	From Scottish Ministers	Other Revenue Grants	£	Income	£	Income	£	Turnover	£	Bad Debts	£	Other	£	2011	2010
Wider Role Activities	-	-	-	-	-	-	-	-	-	-	-	325	£	(325)	(1,084)
Factoring	-	-	-	-	-	-	-	810	810	-	970	£	(160)	1,387	
Development and construction of property activities	-	-	-	-	-	-	-	-	-	-	-	8,743	£	(8,743)	(6,308)
Total From Other Activities	-	-	-	-	-	-	-	<u>810</u>	<u>810</u>	-	<u>10,038</u>	<u>8,464</u>	£	<u>(9,228)</u>	<u>(6,005)</u>
2010	-	-	-	-	-	-	-	<u>2,459</u>	<u>2,459</u>	-	<u>8,464</u>	£	<u>(6,005)</u>		

CRAIGDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

The Officers are defined in s74 of the Industrial and Provident Societies Act 1965 as the members of the Management Committee, managers or servants of the Association.

No Officer of the Association received emoluments greater than £60,000.

Emoluments payable to Chief Executive (excluding pension contributions)

2011	54,095
2010	51,813

6. EMPLOYEE INFORMATION

The average monthly number of full time equivalent persons employed during the year was

2011	7
2010	7

Staff Costs were:

Wages and Salaries
Social Security Costs
Other Pension Costs
Temporary, Agency and Seconded Staff

£	£
195,196	176,105
16,673	15,119
17,429	16,520
41,171	49,892
270,469	257,636

17. LOSS / GAIN ON SALE OF HOUSING STOCK

	2011	2010
Sales Proceeds	£	£
Cost of Sales	-	96,679
(Loss) / Gain On Sale Of Housing Stock	4,490	85,433
	(4,490)	11,246

18. INTEREST PAYABLE

	2011	2010
On Bank Loans & Overdrafts	£	£
On Other Loans	-	89,017
Less: Interest Capitalised	78,279	89,017
	78,279	89,017

19. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2011	2010
Surplus on Ordinary Activities before Taxation is stated after charging:-	£	£
Depreciation - Tangible Owned Fixed Assets	110,705	110,198
Auditors' Remuneration - Audit Services	4,650	4,200
- Other Services	1,650	1,500
	116,995	125,996

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities.

CRAIGDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

TANGIBLE FIXED ASSETS

		a) Housing Properties		
	Housing Properties Held for Letting	Housing Properties in course of Construction	Shared Ownership Properties	Total
	£	£	£	£
COST				
As at 1st April 2010	23,904,849	50,147	270,792	24,225,788
Additions	-	-	-	-
Disposals	-	-	-	-
Schemes Completed	-	-	-	-
As at 31st March 2011	23,904,849	50,147	270,792	24,225,788
DEPRECIATION				
As at 1st April 2010	767,654	-	11,981	779,635
Charge for Year	100,227	-	1,229	101,456
Disposals	-	-	-	-
As at 31st March 2011	867,881	-	13,210	881,091
SOCIAL HOUSING GRANT				
As at 1st April 2010	17,894,324	30,769	197,625	18,122,718
Additions	-	-	-	-
Disposals	-	-	-	-
Schemes Completed	-	-	-	-
As at 31st March 2011	17,894,324	30,769	197,625	18,122,718
OTHER CAPITAL GRANTS				
As at 1st April 2010	343,000	-	-	343,000
Additions	-	-	-	-
Disposals	-	-	-	-
Schemes Completed	-	-	-	-
As at 31st March 2011	343,000	-	-	343,000
NET BOOK VALUE				
As at 31st March 2011	4,799,644	19,378	59,957	4,878,979
As at 31st March 2010	4,899,871	19,378	61,186	4,980,435

Additions to housing properties includes capitalised development administration costs of £NIL (2010 - £NIL) and capitalised major repair costs to existing properties of £NIL (2010 £NIL)

All land and housing properties are freehold.

CRAIGDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11) TANGIBLE FIXED ASSETS (Continued)

b) Other Tangible Assets		Computer Equipment	Furniture & Fittings	Office Premises	Furniture & Equipment	Total
COST		£	£	£	£	£
As at 1st April 2010	35,160	91,899	250,490	18,359	395,908	-
Additions	-	2,002	-	-	2,002	-
Eliminated on Disposals	-	-	-	-	-	-
As at 31st March 2011	35,160	93,901	250,490	18,359	397,910	-
AGGREGATE DEPRECIATION	35,160	85,383	59,973	18,359	198,875	-
As at 1st April 2010	-	4,239	5,010	-	9,249	-
Charge for year	-	-	-	-	-	-
Eliminated on disposal	-	-	-	-	-	-
As at 31st March 2011	35,160	89,622	64,983	18,359	208,124	-
NET BOOK VALUE	-	4,279	185,507	-	189,786	-
As at 31st March 2011	-	6,516	190,517	-	197,033	-
As at 31st March 2010	-	-	-	-	-	-

12) CAPITAL COMMITMENTS

2011	2010
£	£
-	-

Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements

CRAIGDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. DEBTORS

	2011	2010
	£	£
Arrears of Rent & Service Charges	10,133	10,350
Less: Provision for Doubtful Debts	-	-
Other Debtors	10,133	10,350
	51,365	52,708
	<u>61,498</u>	<u>63,058</u>

4. CREDITORS: Amounts falling due within one year

	2011	2010
	£	£
Housing Loans	237,805	243,691
Rent in Advance	74,172	66,826
Other Creditors	15,132	83,260
Accruals and Deferred Income	11,677	14,710
	<u>338,786</u>	<u>408,487</u>

5. CREDITORS: Amounts falling due after more than one year

	2011	2010
	£	£
Housing Loans	3,916,864	4,175,313

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

Within one year	237,805	243,691
Between one and two years	239,982	241,705
Between two and five years	711,214	731,132
In five years or more	3,202,476	2,965,668

Less: Amount shown in Current Liabilities

	4,154,669	4,419,004
	237,805	243,691
	<u>3,916,864</u>	<u>4,175,313</u>

CRAIGDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16 CASH FLOW STATEMENT

<i>Reconciliation of operating surplus to net cash inflow from operating activities</i>	
Operating Surplus	379,978
Depreciation	110,705
Change in Debtors	1,560
Change in Creditors	(13,981)
Share Capital Written Off	(4)
Net Cash Inflow from Operating Activities	478,258
	344,089
	(12)
	9,066
	14,790
	110,198
	210,047
	£
	2011
	£
	2010
	£

Reconciliation of net cash flow to movement in net debt

	2011	2010
Increase in Cash	90,286	15,026
Cash flow from change in debt	264,335	269,084
Movement in net debt during year	354,621	284,110
Net debt at 1st April 2010	(3,110,376)	(3,394,486)
Net debt at 31st March 2011	(2,755,755)	(3,110,376)

Analysis of changes in net debt

	At 01.04.10	Cash Flows	Other Changes	At 31.03.11
Cash at bank and in hand	1,308,628	90,286	1,398,914	1,398,914
Bank Overdrafts	-	-	-	-
Liquid Resources	1,308,628	90,286	1,398,914	1,398,914
Debt: Due within one year	(249,691)	5,886	(237,805)	(237,805)
Debt: Due after more than one year	(4,175,313)	258,449	(3,916,864)	(3,916,864)
Net Debt	(3,110,376)	354,621	-	(2,755,755)

CRAIGDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. SHARE CAPITAL

Shares of £1 each issued and Fully Paid	At 1st April 2010	175
	Issued in year	7
	Cancelled in year	(4)
	At 31st March 2011	178

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.

18. RESERVES

(a) Designated Reserves	At 1st April 2010	£	1,543,000
	Transfer to / (from) Revenue Res	-	1,543,000
	At 31st March 2011	£	1,543,000
(b) Revenue Reserves	At 1st April 2010	£	422,179
	Surplus for the year		308,170
	Transfer (to) / from Designated Reserves	-	-
	At 31st March 2011	£	730,349

19. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	General Needs - New Build	227	227
	- Rehabilitation	143	143
Shared Ownership		6	6
		<u>376</u>	<u>376</u>

CRAIGDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20 RELATED PARTY TRANSACTIONS

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 8.

The related party relationships of the members of the Management Committee is summarised as follows:

12 members are tenants of the Association

Those members that are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their positions to their advantage.

21 LEGAL COSTS

During 2009/10 and 2010/11 the Association incurred legal costs in the case : *Craigdale Housing Association and Others v The Scottish Information Commissioner*, which Craigdale Housing Association and Others won at Appeal in May 2010. The Glasgow & West of Scotland Forum of Housing Associations (GWSF), other Associations and local organisations pledged amounts in contribution towards the legal expenses incurred by Craigdale Housing Association.

The impact on Craigdale Housing Association's Financial Statements is demonstrated below:

	2011	2010	Accounts Cumulative
Legal Fees incurred in connection with Case & Appeal	£18,303	£28,144	£46,447
Costs awarded by Court of Session	(£10,000)	-	(£10,000)
Contribution by GWSF	-	(£12,634)	(£12,634)
Contribution by other bodies	(£27,500)	-	(£27,500)
Amount provided for further legal costs / refund to GWSF	£4,687	-	£4,687
Net effect within Financial Statements	(£14,510)	£15,510	£1,000

22. RETIREMENT BENEFIT OBLIGATIONS

General

Craigdale Housing Association Limited participates in the Scottish Housing Pension Scheme (the scheme).

The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state 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
- Career average revalued earnings with a 1/70th accrual rate
- Career average revalued earnings with a 1/80th accrual rate
- Career average revalued earnings with 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.

Craigdale Housing Association Limited has elected to operate the final salary with a 1/60th accrual rate benefit structure for active members as at 31st March 2008 and the final salary with a 1/60th accrual rate benefit structure for new entrants from 1st April 2008.

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 actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market values. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period Craigdale Housing Association Limited's contributions changed from the rate of 15.4% to 9.6% of pensionable salaries. Member contributions were 7.7% to 9.6%.

As at the balance sheet date there were 4 active members of the Scheme employed by Craigdale Housing Association Limited. The annual pensionable payroll in respect of these members was £114,408. Craigdale Housing Association Limited 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.

22. RETIREMENT BENEFIT OBLIGATIONS (Continued)

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 £295m. The valuation revealed a shortfall of assets compared with the value of liabilities of £160m (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 2010. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed a 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%.

Financial Assumptions

The financial assumptions underlying the valuation as at 30th September 2009 were as follows:

- Investment return pre-retirement 7.4
- Investment return post-retirement - non pensioners 4.6
- Investment return post-retirement - pensioners 4.8
- Rate of Salary increases 4.5
- Rate of pension increases:
 - pension accrued pre 6 April 2005 in excess of GMP 2.9
 - pension accrued from 6 April 2005 2.2
 - (for leavers before 1 October 1993 pension increases are 5.0%)
- Rate of price inflation 3.0

The valuation was carried out using the SAPS (S1PA) All pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement for non-pensioners and pensioners. The table below illustrates the assumed life expectancy in years for pension scheme members at age 65 using these mortality assumptions:

	Males	Females
	Assumed life expectancy in years at age 65	Assumed life expectancy in years at age 65
Non-pensioners	18.1	20.6
Pensioners	18.1	20.6

22. RETIREMENT BENEFIT OBLIGATIONS (Continued)

Valuation Results

The long-term joint contribution rates required from employers and members to meet the cost of future benefit accrual were assessed as:

<i>Long-term joint contribution rate (% of pensionable</i>	
<i>Benefit Structure</i>	
Final salary - 60ths	19.2
Career average 60ths	17.1
Career average 70ths	14.9
Career average 80ths	13.2
Career average 120ths	9.4

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

Following consideration of the results of the valuation it was agreed that the shortfall of £160m would be dealt with by the payment of additional contributions of 10.4% of pensionable salaries per annum with effect from 1st April 2011, increasing each 1 April in line with the rate of salary increases assumption.

As a result of Pension Scheme legislation 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 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.

Craigdale Housing Association Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the SFHA Pension Scheme. This is based on the financial position of the Scheme as at 30 September 2009 and not at the reporting date. As of 30 September 2009 the estimated employer debt was £819,579. Craigdale Housing Association has no current plans to withdraw from the Scheme.