

DALMUIR PARK HOUSING ASSOCIATION LIMITED

(REGISTERED NUMBER 1917 R S)

(REGISTERED CHARITY NUMBER SC033471)

DRAFT FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2010



FRENCH DUNCAN LLP

Chartered Accountants & Registered Auditor
375 West George Street
Glasgow
G2 4LW

098

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

CONTENTS

	Page
Members, Executives and Advisers	1
Report of the Management Committee	2-7
Independent Auditors' Report	8
Independent Auditors' Report on Corporate Governance Matters	9
Income and Expenditure Account	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Financial Statements	13-30

DALMUIR PARK HOUSING ASSOCIATION

MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS

YEAR ENDED 31 MARCH 2010

Management Committee

Chairman	John Gilleece	
Vice Chair	Karen Hillhouse	
Secretary	Christine Bradley	
Treasurer	Alison Quinn	
Committee Member	Laurie McKay	
Committee Member	Elizabeth Binnie	
Committee Member	Ann Meikle	
Committee Member	Fiona McGregor	
Committee Member	Rose Healy	
Committee Member	Frances Davidson	(resigned 12/08/09)
Committee Member	Councillor Jim McElhill	

Executive Officers

Director	Patrick Gilbride	
Finance Manager	Brian Inglis	
Housing Services Manager	Joseph McNichol	
Care Services Manager	Jacqueline Gillespie	(resigned 31/01/10)
Technical Manager	Eric Porterfield	(resigned 24/12/09)

Registered Office

Beardmore House
631 Dumbarton Road
Dalmuir
Clydebank
G81 4EU

Auditors

French Duncan LLP
375 West George Street
Glasgow
G2 4LW

Bankers

Bank of Scotland

Solicitors

Anderson Fyfe
The Grosvenor Building
72 Gordon Street
Glasgow
G1 3RS

DALMUIR PARK HOUSING ASSOCIATION
REPORT OF THE MANAGEMENT COMMITTEE
YEAR ENDED 31 MARCH 2010

Report of the Management Committee

The Management Committee presents its report and the financial statements for the year ended 31 March 2010.

Legal Status

The Association is registered as a non-profit making organisation under the Industrial and Provident Societies Act 1965, No 1917RS. The Association is constituted under its rule book.

Principal Activities

The principal activity of the Association is to maximise its impact as a social landlord in the local community through the provision of wide ranging quality services.

Strategic Objectives

- (i) The Association seeks to provide, manage and maintain desirable, quality, affordable housing in Dalmuir and surrounding areas in response to local housing need.
- (ii) The Association wishes to promote community control of the Association.
- (iii) The Association wishes to contribute to the improvement of social, physical, environmental and economic conditions in the local community.
- (iv) The Association will try to ensure that all services are managed and monitored by highly competent staff and committee members working within an effective strategic framework based on plans, policies and procedures.

Key Policies

- (i) **Allocations Policy** – The Association has established a points based allocations system so that houses are made available to those in housing need.
- (ii) **Rent Policy** - A rent policy has been formulated after conducting income surveys, to ensure that rents are at first affordable but also comparable to other housing providers and which also allows the Association to remain a viable entity by being able to meet all of its present and future financial obligations.
- (iii) **Major Repairs** - The Association recognises its obligation to provide major repairs to its properties when required and life cycle costing exercises have been carried out to identify the extent of such repairs over each property's expected life span. It had been anticipated that funding would have been available to fund the major repairs of older developments but this may now not be the case and the Association may have to fund these projects from its own resources. This has been recognised within the Association's rent policy.

DALMUIR PARK HOUSING ASSOCIATION

REPORT OF THE MANAGEMENT COMMITTEE

YEAR ENDED 31 MARCH 2010

Report of the Management Committee (continued)**(iv) Reserves:**

- a) Designated Reserves - The Association has set aside funds into major repair reserve accounts in order to recognise that surpluses made from rented properties will be reinvested in these properties in the form of major repairs as and when required.
- b) Revenue Reserves – The Association's long term aim is to build reserves to a level equivalent to 25% of turnover (currently £0.6m) to cover operational working capital requirements and also property risk over the next five years.

The balances in these reserve funds are shown in the notes accompanying these financial statements.

- (v) **Treasury Management** – The Association has a treasury management policy which is based on CIPFA's Code of Practice "Treasury Management for Housing Associations" and is designed to minimise the risk on investments whilst ensuring an acceptable return and limiting the Association's exposure to sudden rises in interest rates by having a balanced portfolio containing loans with variable interest rates and loans with fixed interest rates.

Review of Business and Future Developments**Financial Review**

The Management Committee is satisfied with the Association's financial performance during the year and is pleased to report a surplus for the year of £157,599 (2009 – Deficit £42,909).

Turnover for the year increased by 1.6% to £2,496,636 (2009 - £2,457,185) whilst operating costs decreased by 1.0% to £2,339,498 (2009 - £2,364,200).

The Association's investments consist of a programmed outlay of £380,000 on shares held within a Corporate Bond Fund managed by HBOS UK Investments Funds. The Corporate Bond Fund is a cautious-medium risk fund which aims to provide an above average income from a diversified portfolio of interest bearing securities. This portfolio has been exposed to the turbulence in the global financial markets over the past few years and the value of the shares held by the Association at the end of March was valued at £323,670 (2009 - £261,885), providing an unrealised gain for the year of £61,785 (2009 - loss £118,115).

The Association's cash balance at March 2010 increased to £1,335,155 (2009 - £700,168) and this was mainly due to the receipt of grant income for the purchase of land and property for £488,735 (2009 – nil).

DALMUIR PARK HOUSING ASSOCIATION

REPORT OF THE MANAGEMENT COMMITTEE

YEAR ENDED 31 MARCH 2010

Report of the Management Committee (continued)

Wider Action

The two wider action services projects of Lynx Care and Dalmuir Out of School Care together produced a surplus of £15,820 (2009 – deficit £16,755).

The Association has continued with other established wider action projects:

e.g.

- (i) **Dalmuir Community Concierge Service** – a company, limited by guarantee and a registered Scottish Charity, was formed in 2004 as a partnership initiative between Dalmuir Park, Trafalgar and Link Housing Associations to provide high quality services at competitive prices. This initiative ensures that the Associations' activities and spending have a lasting and positive effect on their local economy.
- (ii) **Commercial Regeneration (Phase I)** – an ongoing project to bring unused commercial properties back into use.
- (iii) **Commercial Regeneration (Phase II)** – a project to investigate the introduction of a Social Business Centre through the revitalisation of the Dalmuir Co-operative Building (first floor).

The Association has also demonstrated its commitment to wider action by registering (with other local registered social landlords) with Community Links, an organisation formed to help the establishment of new wider action projects.

The Future

The Association is currently discussing its housing development programme with Communities Scotland and remains optimistic that funding will be made available to allow the acquisition of land and the development of new housing projects. Discussions are also ongoing with other interested housing providers and consultants etc.

The Association also intends to continue with smaller scale projects such as special needs adaptations and to continue to make progress with its plans for commercial regeneration and other wider action projects through its membership of Community Links.

The Association also intends to continue with its major repairs programme with plans to spend almost £591,000 in the forthcoming year on various planned maintenance projects.

Supporting People Grant

The Supporting People Grant came into effect on 1 April 2003 and allows local authorities to fund the costs of support services provided to people in the community. The Association now provides three services which qualify for Supporting People Grant; a sheltered housing service, a community alarm service and the Lynx Care Project.

The Association entered into an interim agreement with West Dunbartonshire Council regarding the provision of these support services and the Council paid £174,804 (2009 - £179,311) to the Association as Supporting People Grant.

DALMUIR PARK HOUSING ASSOCIATION

REPORT OF THE MANAGEMENT COMMITTEE

YEAR ENDED 31 MARCH 2010

Report of the Management Committee (continued)

Statement of Management Committee's Responsibilities

The Management Committee is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 year. In preparing those financial statements the Management Committee is required to:

- select suitable accounting policies and 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.

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 enable it to ensure that the financial statements comply 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. It is 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. The Management Committee confirms that the financial statements comply with the above requirements.

Raising Standards - Guidance on Internal Financial Control and Financial Reporting

The Association considers that it has complied with "Raising Standards" guidance on "Internal financial control and financial reporting" contained within "Raising Standards in Housing", published by the Scottish Federation of Housing Associations and endorsed by Communities Scotland.

DALMUIR PARK HOUSING ASSOCIATION

REPORT OF THE MANAGEMENT COMMITTEE

YEAR ENDED 31 MARCH 2010

Report of the Management Committee (continued)

Internal Financial Control

The Management Committee recognises that it is responsible for the systems of internal financial control and accepts that such systems can only provide reasonable and not absolute assurance against material misstatement or loss.

To discharge this responsibility the Management Committee will continue to establish an organisational structure with clearly defined levels of responsibility and authority and with appropriate reporting procedures. Included within these key procedures will be the following internal financial controls:

- the formulation of policies and procedures relating to all areas of finance including; receipt of income, approval of capital and revenue expenditure, and treasury management.
- a formal system of policy reviews.
- an internal audit programme which reviews the suitability of policies and procedures and controls.
- an audit committee which oversees the function and performance of both internal and external auditors and which receives reports from internal and external auditors.

The Audit Committee is made up of members of the full Management Committee and the Association has now completed the third phase of a new three year internal audit plan this year.

The Audit Committee have received reports of work undertaken during the year and have in turn reported to the Management Committee.

DALMUIR PARK HOUSING ASSOCIATION

REPORT OF THE MANAGEMENT COMMITTEE

YEAR ENDED 31 MARCH 2010

Report of the Management Committee (continued)

Auditors' Review

In addition to their audit of the financial statements, our auditors have reviewed the Management Committee's statement concerning the Association's compliance with the disclosures required by the Scottish Federation of Housing Associations "Raising Standards" guidance on "Internal financial control and financial reporting". Their report is set out on page 9.

Related Party Transactions

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

Disclosure of Information to Auditors

Each of the directors have confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

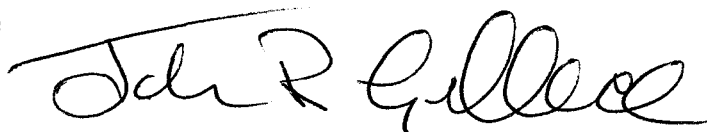
Auditors

A resolution to re-appoint French Duncan LLP as auditors will be proposed at the Annual General Meeting.

By order of the Management Committee.

John Gilleece
Chairman

6 July 2010

A handwritten signature in black ink, appearing to read 'John R Gilleece', written over a horizontal line.

DALMUIR PARK HOUSING ASSOCIATION**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF****DALMUIR PARK HOUSING ASSOCIATION LIMITED**

We have audited the Financial Statements on pages 10 to 30 which have been prepared under the historical cost convention and on the basis of accounting policies set out on pages 13 to 15.

This report is made solely to the Association's members, as a body, in accordance with Section 9 of the Friendly and Industrial 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 Management Committee and auditors

The Management Committee's responsibilities for preparing of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Management Committee's Responsibilities.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies' Act 1965 to 2002, Schedule 7 of the Housing (Scotland) Act 2001 and Registered Social Landlords Accounting Requirements (Scotland) Order 2007. We also report to you if, in our opinion, the Management Committee's report is not consistent with the Financial Statements, if the Association has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors remuneration and other transactions with the Association is not disclosed.

We read the Management Committee's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Management Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

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 affairs of the Association as at 31st March 2010 and of its income and expenditure and cash flow for the year then ended; and
- have been properly prepared in accordance with 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.

French Duncan LLP

FRENCH DUNCAN LLP

Chartered Accountants

Registered Auditor

Glasgow

6 July 2010

DALMUIR PARK HOUSING ASSOCIATION LIMITED

**AUDITORS' REPORT TO THE MEMBERS OF
DALMUIR PARK HOUSING ASSOCIATION LIMITED
ON CORPORATE GOVERNANCE MATTERS**

In addition to our audit of the Financial Statements, we have reviewed whether your statement on page 5 concerning the Association's compliance with the disclosure required by the Scottish Federation of Housing Associations - "Raising Standards" guidance on "Internal financial control and financial reporting".

Basis of Opinion

We carried out our review having regard to Bulletin 1999/5 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 controls on pages 5 and 6 has provided the disclosures required by the Scottish Federation of Housing Associations "Raising Standards" guidance on "Internal financial control and financial reporting", and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

French Duncan LLP

FRENCH DUNCAN LLP
Chartered Accountants
Registered Auditor
Glasgow

6 July 2010

DALMUIR PARK HOUSING ASSOCIATION LIMITED**INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	2010 £	2009 £
TURNOVER			
Cost of Sales	2	2,496,636	2, 457,185
Operating costs	2	<u>(2,339,498)</u>	<u>(2, 364,200)</u>
OPERATING SURPLUS	6	157,138	92,985
Gain on sale of housing accommodation	7	-	28,504
Unrealised Gain / (Loss) on Investments	7	61,785	(118,115)
Interest receivable	8	19,565	52,897
Interest payable	8	<u>(80,889)</u>	<u>(99,180)</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>157,599</u>	<u>(42,909)</u>

The results for the year relate wholly to the continuing activities.

The Association has no recognised gains and losses other than those dealt with in the Income and Expenditure Account.

The notes on pages 13 to 30 form part of these financial statements

DALMUIR PARK HOUSING ASSOCIATION LIMITED

BALANCE SHEET

AS AT 31 MARCH 2010

	Notes	2010 £	2009 £
TANGIBLE FIXED ASSETS			
Housing Properties-			
Gross cost less depreciation	10a.	26,555,075	26,555,657
Less: Social Housing Grant	10a.	(24,176,222)	(23,727,776)
Less: Other grants		(255,234)	(255,234)
		<u>2,123,619</u>	<u>2,572,647</u>
Other fixed assets	10b.	336,741	382,760
Investments	10c.	323,670	261,885
		<u>2,784,030</u>	<u>3,217,292</u>
CURRENT ASSETS			
Debtors	11	349,387	431,701
Cash at bank and in hand		<u>1,335,155</u>	<u>700,168</u>
		1,684,542	1,131,869
CURRENT LIABILITIES			
Creditors due within one year	12	<u>(308,502)</u>	<u>(260,634)</u>
NET CURRENT ASSETS		<u>1,376,040</u>	<u>871,235</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,160,070	4,088,527
CREDITORS			
Amounts falling due after more than one year ¹³		<u>(1,300,131)</u>	<u>(1,386,201)</u>
NET ASSETS		<u>2,859,939</u>	<u>2,702,326</u>
CAPITAL AND RESERVES			
Share Capital	14	261	248
Designated Reserves	15	2,449,179	2,308,280
Revenue Reserves	16	410,499	393,798
		<u>2,859,939</u>	<u>2,702,326</u>

Approved by the Management Committee on 6 July 2010

John Gilleece

CHAIRMAN



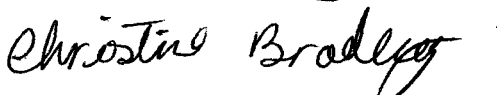
Alison Quinn

TREASURER



Christine Bradley

SECRETARY



The notes on pages 13 to 30 form part of these financial statements.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 £	2009 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	17	<u>368,537</u>	<u>143,393</u>
Return on investments and servicing of finance:			
Interest received	19,565		52,897
Interest paid	<u>(80,889)</u>		<u>(99,180)</u>
NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>(61,324)</u>	<u>(46,283)</u>
Taxation		<u>-</u>	<u>-</u>
Capital Expenditure:			
Acquisition and construction of Housing Properties	(76,352)		(431,495)
Purchase of other fixed assets	(6,592)		(21,609)
Capital grants received	488,735		-
Capital grants repaid	(17,819)		(69,991)
Capital grant abatement	(22,470)		-
Receipts from sale of tangible assets	<u>42,729</u>		<u>111,875</u>
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE		<u>408,231</u>	<u>(411,220)</u>
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		715,444	(314,110)
Financing:			
Loans repaid	(80,470)		(90,689)
Shares issued	13		8
Shares cancelled	<u>-</u>		<u>(144)</u>
NET CASH (OUTFLOW) FROM FINANCING		<u>(80,457)</u>	<u>(90,825)</u>
INCREASE/(DECREASE) IN CASH		<u>634,987</u>	<u>(404,935)</u>

The notes on pages 13 to 30 form part of these financial statements.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1. Accounting Policies

The Association is established under the provisions of the Industrial and Provident Societies Act 1965 and is registered with Communities Scotland.

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 Landlord Accounting Requirements (Scotland) Order 2007. The principal accounting policies are set out below:

1.1 Basis of Accounting

The financial statements are based on the historical cost convention.

1.2 Turnover

Turnover represents rental and service charge income receivable, other fees and charges receivable and revenue grants receivable from Communities Scotland, local authorities and other agencies.

1.3 Social Housing Grant (SHG)

Where new developments have been funded wholly or partly by Social Housing Grant or other capital grant, the cost of those developments has been reduced by the amount of grant receivable. This amount is shown separately in the Balance Sheet.

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

Social Housing Grant is repayable under certain circumstances, primarily following the sale of housing property, but this will be restricted to the net proceeds of any such sale.

1.4 Tangible Fixed Assets – Housing Properties

Housing Properties are stated at cost less Social Housing Grants and other grants and accumulated depreciation.

1.5 Other Fixed Assets

Other fixed assets are stated at cost less accumulated depreciation.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010 (Continued)

1.7 Depreciation

Depreciation is charged on housing properties less land and estimated residual value, on a straight line basis over the expected economic useful lives of the properties at annual rates of 1% and 2%. The Association also performs an annual impairment review where appropriate in accordance with FRS 11.

Depreciation is charged on other fixed assets as follows:

Commercial Property	- 6 ² / ₃ % straight line
Computers and other Office Equipment	- 20% straight line
Furniture and Fittings	- 15% reducing balance
Furniture for Furnished Accommodation	- 33 ¹ / ₃ % straight line
Laundry Equipment in Sheltered Accommodation	- 20% straight line

1.8 Capitalisation of Interest

Interest accrued on financing a new development is capitalised up to the date of completion of the development.

1.9 Development Administration Costs

Development Administration Costs relating to new developments are capitalised based on the time spent by staff on these activities.

1.10 Cyclical and Major Repairs

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

1.11 Designated Reserves

i Cyclical Maintenance Reserve

This reserve is based on the Association's responsibility to maintain its properties in accordance with a planned programme of works provided expenditure will not be met from revenue in the year in which it is incurred.

ii Major Repairs Reserve – Various

The Association 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 and the actual costs of repairs is charged to this reserve.

iii Wider Action

The Association has earmarked these reserves to meet the future commitments to community projects in the Wider Action Plan.

DALMUIR PARK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2010 (Continued)****1.12 Pensions**

The Association has a policy which allows an employer's contribution to be paid into an employee's own personal pension scheme. The amount the employee contributes into his/her own personal scheme is determined by that employee. The Association's contribution will be twice that of the employee's contribution up to a maximum of 15.4% of the employee's basic annual salary.

The Association also participates in the SFHA Pension Scheme which is a defined benefit scheme, the cost of which is written off to the income and expenditure account on an accruals basis. The assets of the scheme are held separately from those of the Association in an independently administered fund. For details please refer to Note 26.

1.13 Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against surpluses on a straight line basis over the lease term.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009 (Continued)

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

	2010				2009			
	Turnover	Cost of	Operating	Operating	Turnover	Cost of	Operating	Operating
	£	Sales	Costs	Surplus/(Deficit)	£	Sales	Costs	Surplus
		£	£	£		£	£	£
INCOME AND EXPENDITURE								
FROM SOCIAL LETTINGS (Note 3a)	1,937,500	-	1,744,796	192,704	2,059,888	-	(1,907,942)	151,946
OTHER INCOME								
AND EXPENDITURE								
Other Activities (Note 3b)	559,136	-	594,702	(35,566)	397,297	-	(456,258)	(58,961)
TOTAL	2,496,636	-	2,339,498	157,138	2,457,185	-	(2,364,200)	92,985

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010 (Continued)

2. PARTICULARS OF INCOME AND EXPENDITURE

3. a) FROM SOCIAL LETTINGS

	<i>General Needs Housing</i>	<i>Supported Housing Accommodation</i>	<i>Shared Ownership Housing</i>	<i>Other (describe)</i>	<i>Total</i>	<i>Total for previous period of account</i>
	£	£	£	£	£	
Rents receivable net of service charges	1,579,057	179,617	48,930	-	1,807,604	1,759,313
Service Charges	123,000	4,937	-	-	127,937	203,654
Gross income From rents and Service charges	1,702,057	184,554	48,930	-	1,935,541	1,962,967
Less voids	(14,087)	(673)	-	-	(14,760)	(19,359)
Net income from Rents & service Charges	1,687,970	183,881	48,930	-	1,920,781	1,943,608
Grants from the Scottish Ministers	16,647	72	-	-	16,719	8,313
Other revenue Grants	-	-	-	-	-	107,967
Total turnover from Social letting Activities	1,704,617	183,953	48,930	-	1,937,500	2,059,888
Management and Maintenance Administration costs	686,870	85,233	46,779	-	818,882	1,034,967
Service costs	193,158	4,595	-	-	197,753	112,345
Planned and Cyclical Maintenance including Major Repairs costs	374,111	1,844	-	-	375,955	420,691
Reactive maintenance costs	273,487	10,393	-	-	283,880	253,845
Bad debts – rents and service charges	34,120	-	-	-	34,120	51,888
Depreciation of Social housing	29,157	3,465	1,584	-	34,206	34,206
Impairment of Social housing	-	-	-	-	-	-
Operating costs for Social letting Activities	1,590,903	105,530	48,363	-	1,744,796	1,907,942
Operating surplus or Deficit for social Lettings	113,714	78,423	567	-	192,704	151,946
Operating surplus or Deficit for social Letting for previous Period of letting	(82,680)	237,493	(2,867)	-	151,946	151,946

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

3. b) FROM OTHER ACTIVITIES

	Grants from Scottish Ministers	Other Revenue Grants	Supporting People Income	Other Income	Total Turnover	Operating Costs - bad debts	Other Operating Costs	Operating Surplus or deficit	Operating Surplus or deficit for previous period
	£	£	£	£	£	£	£	£	£
Wider Role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	-	10,000	-	6,894	16,894	-	71,152	(54,258)	(21,757)
Care & repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	83,584	83,584	6,725	76,826	33	(13,107)
Development & construction of property activities	25,156	10,000	-	-	35,156	-	37,395	(2,239)	(7,342)
Support Services	-	-	-	-	-	-	-	-	-
Care activities	-	10,205	174,804	238,493	423,502	-	402,604	20,898	(16,755)
Agency/management services for registered social landlords	-	-	-	-	-	-	-	-	-
Other agency/management services	-	-	-	-	-	-	-	-	-
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-	-
Developments for sale to non registered social landlords	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	-	-	-	-	-	-
Total from other activities	25,156	30,205	174,804	328,971	559,136	6,725	587,977	(35,566)	(58,961)
Total from other activities from previous period of account	45,632	27,525	89,201	234,939	397,297	35,517	420,741	(58,961)	(21,681)

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010 (Continued)

4. DIRECTORS' EMOLUMENTS	2010	2009
	£	£
Total Emoluments (including pension contributions and benefits in kind)	<u>81,376</u>	<u>167,638</u>
Total Emoluments (excluding pension contributions of highest paid Director)	<u>70,990</u>	<u>84,771</u>

The number of senior employees (including the Director) who received emoluments in excess of £60,000 (excluding pension contributions) in the following ranges were:

	Number	Number
£60,000 to £70,000	-	1
£70,000 to £80,000	1	-
£80,000 to £90,000	-	1

The Management Committee of the Association are all classed as Directors of the Association. All perform their duties on a voluntary basis and have no emoluments from the Association. In addition, the Director (the senior employee) and any other person who reports directly to the Director or the Management Committee whose total emoluments exceed £60,000 per year is similarly classed.

The Director has a pension arrangement to which the Association contributes. The Association's contributions for the director in the year amounted to £10,386 (2009 - £12,044).

MEMBERS' EXPENSES	2010	2009
	£	£
Total expenses reimbursed in so far as not chargeable to United Kingdom Income Tax		
Management Committee	<u>949</u>	<u>822</u>

5. EMPLOYEE INFORMATION	2010	2009
	Number	Number
The average weekly number of persons employed during the year was:	<u>38</u>	<u>43</u>
	2010	2009
	£	£
Staff costs:		
Wages and Salaries	800,508	826,696
Social Security Costs	68,019	71,579
Pension Costs	73,044	73,110
	<u>941,571</u>	<u>971,385</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010 (Continued)

6. OPERATING SURPLUS	2010	2009
	£	£

The Operating Surplus is stated after charging:-

Depreciation	86,816	89,710
Auditors' Remuneration	9,145	8,925

7 a) GAIN ON SALE OF HOUSING ACCOMMODATION

In the year to 31 March 2010 Dalmuir Park Housing Association had no gains on sale of housing accommodation compared to a gain of £28,504 in 2009. During the year the Association continued to sell properties under the Right to Buy legislation and also the onward sale of Shared Ownership tranches.

7 b) UNREALISED GAIN / (LOSS) ON INVESTMENTS	2010	2009
	£	£
Cost of Investments	261,885	380,000
Valuation at 31 March 2009	323,670	261,885
Impairment reversal/(impairment)	61,785	(118,115)

8 a) INCOME FROM INVESTMENTS	2010	2009
	£	£
Bank Interest Receivable	19,566	52,897

8 b) INTEREST PAYABLE	2010	2009
	£	£
Loans	80,889	99,180

9. TAXATION

No taxation is payable by the Association as it is recognised as a Charity by the Inland Revenue.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010 (Continued)

10. TANGIBLE FIXED ASSETS

10 a) HOUSING PROPERTIES

	Properties for Letting £	Properties Under Construction £	Shared Ownership Properties £	Total £
COST				
At 1 April 2009	25,242,009	431,495	1,206,885	26,880,389
Additions	76,353	-	-	76,353
Disposals	(42,729)	-	-	(42,729)
Transfers	-	-	-	-
At 31 March 2010	25,275,633	431,495	1,206,885	26,914,013
SOCIAL HOUSING GRANT				
At 1 April 2009	22,771,076	-	956,700	23,727,776
Additions	488,735	-	-	488,735
Disposals	(40,289)	-	-	(40,289)
Transfers	-	-	-	-
At 31 March 2010	23,219,522	-	956,700	24,176,222
OTHER GRANTS				
At 1 April 2009	255,234	-	-	255,234
Additions	-	-	-	-
Disposals	-	-	-	-
Transfers	-	-	-	-
At 31 March 2010	255,234	-	-	255,234
DEPRECIATION				
At 1 April 2009	301,578	-	23,154	324,732
Charge for year	31,991	-	2,215	34,206
Disposals	-	-	-	-
Transfers	-	-	-	-
At 31 March 2010	333,569	-	25,369	358,938
NET BOOK VALUE				
At 31 March 2010	1,467,308	431,495	224,816	2,123,619
At 31 March 2009	1,914,121	431,495	227,031	2,572,647

Capitalised interest and development expenditure included in capital expenditure for the year amounted to £Nil (2009 - £Nil)

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010 (Continued)

10 b) OTHER FIXED ASSETS

	Office Furniture And Equipment	Commercial Properties	TOTAL £
Cost			
As at 1 April 2009	393,003	396,913	789,916
Additions	6,592	-	6,592
Disposals	-	-	-
As at 31 March 2010	<u>399,595</u>	<u>396,913</u>	<u>796,508</u>
Grant Income			
As at 1 April 2009	-	25,500	25,500
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2010	<u>-</u>	<u>25,500</u>	<u>25,500</u>
Depreciation			
As at 1 April 2009	324,412	57,244	381,656
Charge for year	27,598	25,013	52,611
Disposals	-	-	-
As at 31 March 2010	<u>352,010</u>	<u>82,257</u>	<u>434,267</u>
Net Book Value			
As at 31 March 2010	<u>47,585</u>	<u>289,156</u>	<u>336,741</u>
As at 31 March 2009	<u>68,591</u>	<u>314,169</u>	<u>382,760</u>

10 c) INVESTMENTS

	2010 £	2009 £
Cost		
As at 1 April 2009 and 31 March 2010	<u>261,885</u>	<u>380,000</u>
Unrealised Gain / (Loss)		
Movement	<u>61,785</u>	<u>(118,115)</u>
Net Book Value		
As at 1 April 2009 and 31 March 2010	<u>323,670</u>	<u>261,885</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010 (Continued)

11. DEBTORS	2010 £	2009 £
Amounts falling due within one year:-		
Arrears of rent and service charges	257,491	283,528
Less provision for doubtful debts	(42,000)	(42,000)
	<u>215,491</u>	<u>241,528</u>
Grants Receivable	13,437	74,809
Other Debtors	120,459	115,364
	<u>349,387</u>	<u>431,701</u>

12. CREDITORS DUE WITHIN ONE YEAR	2010 £	2009 £
Loans	84,600	79,000
Other taxes and social security costs	-	
Trade Creditors	48,660	35,955
Accruals	64,314	26,951
Deferred Income	-	10,000
Other Creditors	72,732	67,332
Rent in Advance	38,196	41,396
	<u>308,502</u>	<u>260,634</u>

Included in other creditors are amounts due to pension companies of £3,470 (2009 - £1,059).

13. CREDITORS DUE AFTER ONE YEAR	2010 £	2009 £
Housing loans		
- between one and two years	88,800	86,000
- between two and five years	296,400	279,000
- due after five years	914,931	1,024,201
	<u>1,300,131</u>	<u>1,386,201</u>

Loans are secured by specific charges on the Association's properties and are repayable at varying rates of interest in instalments as shown.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010 (Continued)

	2010 £	2009 £
14. SHARE CAPITAL		
Called up, issued and fully paid: Shares of £1 each		
As at 1 April 2009	248	384
Issued in year	13	8
Cancelled in year	-	(144)
As at 31 March 2010	<u>261</u>	<u>248</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends or distributions on a winding up. Each member has a right to vote at members' meetings.

Under the Association's rules share capital is non refundable if a person ceases to be a member.

	Opening Balance £	Movement £	Transfer £	Closing Balance £
15. DESIGNATED RESERVES				
Major Repairs	1,672,593	(311,695)	406,696	1,767,594
Cyclical Maintenance	375,000	(64,261)	89,261	400,000
Former Scottish Homes Stock	175,000	(29,780)	29,780	175,000
Wider Action	85,687	-	20,898	106,585
	<u>2,308,280</u>	<u>(405,736)</u>	<u>546,635</u>	<u>2,449,179</u>

	2010 £	2009 £
16. REVENUE RESERVE		
At 1 April 2009	393,798	419,952
Surplus/(Deficit)for the year	157,599	(42,909)
Transfer (to)/from Designated Reserves	(140,898)	16,755
At 31 March 2010	<u>410,499</u>	<u>393,798</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010 (Continued)

17. RECONCILIATION OF SURPLUS TO NET CASHFLOW
FROM OPERATING ACTIVITIES

	2010 £	2009 £
Operating Surplus	157,138	92,985
Depreciation	86,817	89,710
Decrease /(Increase) in debtors	82,314	(20,939)
Increase/(Decrease) in creditors	42,268	(18,363)
	<u>368,537</u>	<u>143,393</u>

18. RECONCILIATION OF NET CASH FLOW
TO MOVEMENTS IN NET (DEBT)

	2010 £	2009 £
Increase/(Decrease) in cash for year	634,987	(404,935)
Loan repayments	80,470	90,689
	<u>715,457</u>	<u>(314,246)</u>
Net Funds at 1 April 2009	(775,244)	(80,998)
Net (Debt) at 31 March 2010	<u>(59,787)</u>	<u>(395,244)</u>

19. ANALYSIS OF CHANGES IN NET DEBT

	As at 1 April 2009 £	Cash Flows £	Other Changes £	As at 31 March 2010 £
Cash at bank and in hand	700,168	634,987	-	1,335,155
Debt due within one year	(89,211)	89,211	(94,811)	(94,811)
Debt due after one year	(1,386,201)	(8,741)	94,811	(1,300,131)
	<u>(775,244)</u>	<u>715,458</u>	<u>-</u>	<u>(59,787)</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010 (Continued)

20. HOUSING STOCK

	2010 Number	2009 Number
The number of units held by the Association at the end of the year was as follows :		
General needs		
New Build	128	128
Rehabilitation	461	462
Supported housing	70	70
Shared ownership	32	33
	<u>691</u>	<u>692</u>

21. ASSURED TENANCY RENTS

	2010 £	2009 £
Average Scottish Secured tenancy rent for Housing accommodation	<u>2,572</u>	<u>2,523</u>
Percentage increase from previous year	<u>2.0%</u>	<u>4.5%</u>

22. CONTINGENT LIABILITIES

The Association has contingent liabilities of £359,732 (see note 26) at the year end. (2009 - £13,142)

23. CAPITAL COMMITMENTS

	2010 £	2009 £
Expenditure contracted for less paid and certified	<u>-</u>	<u>-</u>
Expenditure authorised by Committee of Management not contracted	<u>-</u>	<u>-</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2010 (Continued)****24. REVENUE COMMITMENTS**

In November 1995 the Association acquired 103 housing units from Scottish Homes, (now Communities Scotland) through a Large Scale Voluntary Transfer (LSVT). The terms of the transfer are detailed in a Minute of Agreement between the Association and Communities Scotland is subject to an annual compliance check by Communities Scotland.

Part of this Minute of Agreement commits the Association to spend £4.17m on reactive and planned maintenance, including major repairs, on these properties by March 2026, being the end of 30 years after the transfer date.

In the year to March 2010 a total of £32,655 was spent on reactive and planned maintenance. This makes a total of £1,612,031 since the date of transfer.

The funding for this expenditure will be met from the rental income received from the properties concerned.

The Association has also sold 6 properties to sitting tenants under “right to buy” since the date of the transfer, leaving 98 of these properties still in ownership.

25. RELATED PARTIES

Various members of the Management Committee are tenants of the Association. The transactions with the Association are all done on standard terms, as applicable to all tenants.

26. PENSION OBLIGATIONS

The Association participates in the SFHA 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 an individual participating employer as the Scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total Scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the Scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

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

The last formal valuation of the Scheme was performed as at 30 September 2006 by a professionally qualified Actuary using the Projected Unit Credit method. The market value of the Scheme’s assets at the valuation date was £268 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £54 million, equivalent to a past service funding level of 83.4%.

DALMUIR PARK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2010 (Continued)****26. PENSION OBLIGATIONS (Continued)**

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2008. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed a decrease in the assets of the Scheme to £265 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £149 million, equivalent to a past service funding level of 63.9%.

The current triennial formal valuation of the Scheme, as at 30 September 2009, is being undertaken by a professionally qualified Actuary. The results of the valuation will be available in Autumn 2010.

The SFHA Pension Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted-out of the State Pension scheme.

The Scheme offers three 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.

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 a 1/60th accrual rate benefit structure for active members as at 1 April 2008 and the final salary with a 1/60th accrual rate benefit structure for new entrants from 1 April 2008.

During the accounting period Dalmuir Park Housing 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 10 active members of the Scheme employed by Dalmuir Park Housing Association. The annual pensionable payroll in respect of these members was £261,378.

Dalmuir Park Housing Association continues to offer membership of the Scheme to its employees.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010 (Continued)

26. PENSION OBLIGATIONS (Continued)

The key valuation assumptions used to determine the assets and liabilities of the SFHA Pension Scheme are:

2006 Valuation Assumptions	% p.a.
Investment return pre retirement	7.2
Investment return post retirement	4.9
Rate of salary increases	4.6
Rate of pension increases	
- Pension accrued pre 6 April 2005	2.6
- Pension accrued post 6 April 2005 (for leavers before 1 October 1993 pension increases are 5.0%)	2.2
Rate of price inflation	2.6

Mortality Tables	
Non-pensioners	PA92C2025 short
Pensioners	PA92C2013 short

Contribution Rates for Future Service	%
Final salary 1/60ths	17.8
Career average revalued earnings 1/60ths	14.6
Career average revalued earnings 1/70ths	12.6
Additional rate for deficit contributions	5.3

A small number of employers that have closed the Scheme to new entrants are required to pay an additional employer contribution loading of 3.5% to reflect the higher costs of a closed arrangement.

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit, on an on-going funding basis, by 31 March 2020.

A copy of the recovery plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to The Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan). The Regulator has reviewed the recovery plan for the SFHA Pension Scheme and confirmed that, in respect of the September 2006 actuarial valuation, it does not propose to issue any scheme funding directions under Part 3 of the Pensions Act 2004.

The current triennial formal valuation of the scheme, as at September 2009, is being undertaken by a professionally qualified Actuary. The results of the valuation will be available in autumn 2010.

DALMUIR PARK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2010 (Continued)****26. PENSION OBLIGATIONS (Continued)**

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

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the 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.

The Association has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the SFHA Pension Scheme based on the financial position of the Scheme as at 30 September 2009. As of this date the estimated employer debt for Dalmuir Park Housing Association was £359,732 (see note 22).