

**DALMUIR PARK HOUSING ASSOCIATION LIMITED**

**(REGISTERED NUMBER 1917 R S)**

**(REGISTERED CHARITY NUMBER SC033471)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2012**

**FRENCH DUNCAN LLP**

Chartered Accountants & Statutory Auditor

375 West George Street

Glasgow

G2 4LW

**DALMUIR PARK HOUSING ASSOCIATION LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2012**

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**DALMUIR PARK HOUSING ASSOCIATION**  
**REPORT OF THE MANAGEMENT COMMITTEE**  
**YEAR ENDED 31 MARCH 2012**

**Report of the Management Committee**

The Management Committee presents its report and the financial statements for the year ended 31 March 2012.

**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**

**MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS**

**YEAR ENDED 31 MARCH 2012**

**Management Committee**

Chairman	John Gilleece
Vice Chair	Karen Hillhouse
Secretary	Christine Bradley
Treasurer	Alison Quinn
Committee Member	Laurie McKay
Committee Member	Ann Meikle
Committee Member	Fiona McGregor
Committee Member	Georgette Murray
Committee Member	Councillor Jim McElhill

**Executive Officers**

Director	Patrick Gilbride
Finance Manager	Brian Inglis
Housing Manager	John Mallon
Maintenance Manager	David Anderson

**Registered Office**

Beardmore House  
631 Dumbarton Road  
Dalmuir  
Clydebank  
G81 4EU

**Auditors**

French Duncan LLP  
Chartered Accountants & Statutory Auditor  
375 West George Street  
Glasgow  
G2 4LW

**Bankers**

Bank of Scotland

**Solicitors**

Anderson Fyfe  
140 West George Street  
Glasgow  
G2 2HG

**DALMUIR PARK HOUSING ASSOCIATION**  
**REPORT OF THE MANAGEMENT COMMITTEE**  
**YEAR ENDED 31 MARCH 2012**

**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 £0.7m) 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 £312,440 (2011 – Surplus £169,119 restated).

Turnover for the year increased by 4.6% to £2,630,784 (2011 - £2,514,552) whilst operating costs decreased slightly to £2,297,429 (2011 - £2,297,263 restated).

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 £319,541 (2011 - £321,900), providing an unrealised loss for the year of £2,359 (2011 - loss £1,770).

The Association’s cash balance at March 2012 decreased to £620,288 (2011 - £780,512) and this was mainly due to property loan repayments of £69,007 (2011 - £356,739), the purchase of other fixed assets of £134,294, housing property additions of £114,380 and component installations of £483,415 (2011 - £nil).

**DALMUIR PARK HOUSING ASSOCIATION**

**REPORT OF THE MANAGEMENT COMMITTEE**

**YEAR ENDED 31 MARCH 2012**

**Report of the Management Committee (continued)**

Wider Role

The Association prioritises many social interaction activities which, when added to our own budgeted expenditure on community development, donations and activities, ensures that we create a varied range of initiatives involving the widest cross section of the community possible.

The Association has also demonstrated its commitment to wider action by subscribing to Community Links Scotland, an organisation formed to fund and establish new wider action projects, and by employing specialist fundraising consultants, Winning Leishman. We are in the process of creating a new community trust, the Beardmore Trust, which will create wider community involvement and increased financial support for community projects.

The two most significant wider role projects of Lynx Care and Dalmuir Out of School Care together produced a slight surplus of £239 (2011 – deficit £8,092).

The Future

The Association is currently discussing its housing development programme with the Scottish Government 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. We hope to continue to develop the role of The Beardmore Trust to assist with our plans for community regeneration and other wider role projects.

The Association intends to continue with its major repairs programme with plans to spend almost £671,000 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 £146,986 (2011 - £158,388) to the Association as Supporting People Grant.

**DALMUIR PARK HOUSING ASSOCIATION****REPORT OF THE MANAGEMENT COMMITTEE****YEAR ENDED 31 MARCH 2012****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 2012**

**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 2012**

**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**

**Date:** 8 AUGUST 2012

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

We have audited the financial statements of Dalmuir Park Housing Association for the year ended 31 March 2012 on pages 10 to 30. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the Committee and auditor**

As explained more fully in the Committee's Responsibilities Statement set out on page 5, the Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2012 and of its income and expenditure for the year then ended; and
- have been prepared in accordance with the requirements of the Industrial and Provident Societies Acts 1965 to 2002, Schedule 7 of the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007.

**Matters arising on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts 1965 to 2002 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

*French Duncan LLP*

French Duncan LLP  
 Statutory Auditor  
 375 West George Street  
 Glasgow  
 G2 4LW

Date: *21 August 2012*

**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 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 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**  
Chartered Accountants  
Statutory Auditor  
Glasgow

Date: 21 August 2012

**DALMUIR PARK HOUSING ASSOCIATION LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	2012 £	2011 £ (Restated)
<b>TURNOVER</b>			
Cost of Sales	2	2,630,784	2,514,552
Operating costs	2	<u>(2,297,429)</u>	<u>(2,297,263)</u>
<b>OPERATING SURPLUS</b>	6	333,355	217,289
Gain on sale of housing accommodation	7	-	-
Unrealised (Loss) / Gain on Investments	7	(2,359)	(1,770)
Interest receivable	8	20,910	21,321
Interest payable	8	<u>(39,466)</u>	<u>(67,721)</u>
<b>SURPLUS FOR THE YEAR</b>		<u>312,440</u>	<u>169,119</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

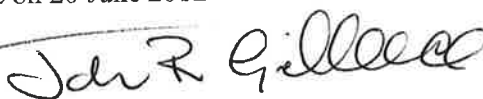
AS AT 31 MARCH 2012

	Notes	2012 £	2011 £ (Restated)
<b>TANGIBLE FIXED ASSETS</b>			
Housing Properties-			
Gross cost less depreciation	10a.	28,208,536	27,876,439
Less: Social Housing Grant	10a.	(24,202,471)	(24,176,222)
Less: Other grants		(255,234)	(255,234)
		<u>3,750,831</u>	<u>3,444,983</u>
Other fixed assets	10b.	526,842	464,364
Investments	10c.	319,541	321,900
		<u>4,597,214</u>	<u>4,231,247</u>
<b>CURRENT ASSETS</b>			
Debtors	11	484,949	410,483
Cash at bank and in hand		620,289	780,512
		<u>1,105,238</u>	<u>1,190,995</u>
<b>CURRENT LIABILITIES</b>			
Creditors due within one year	12	(235,261)	(200,405)
			<u>869,977</u>
<b>NET CURRENT ASSETS</b>			
		<u>869,977</u>	<u>990,590</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		5,467,191	5,221,837
<b>CREDITORS</b>			
Amounts falling due after more than one year <sup>13</sup>		(891,339)	(958,393)
		<u>4,575,852</u>	<u>4,263,444</u>
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Share Capital	14	203	236
Designated Reserves	15	4,155,571	3,734,411
Revenue Reserves	16	420,078	528,797
		<u>4,575,852</u>	<u>4,263,444</u>

Approved by the Management Committee on 20 June 2012

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 2012

	Notes	2012 £	2011 £ Restated
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	17	<u>593,579</u>	<u>330,486</u>
<b>Return on investments and servicing of finance:</b>			
Interest received	20,910		21,321
Interest paid	(39,466)		(67,721)
			<u>          </u>
<b>NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		<u>(18,556)</u>	<u>(46,400)</u>
<b>Taxation</b>		<u>-</u>	<u>-</u>
<b>Capital Expenditure:</b>			
Acquisition and construction of Housing Properties	(114,380)		-
Purchase of other fixed assets	(134,294)		(197,423)
Component Installations	(483,415)		(284,542)
Capital grants received	63,320		-
Capital grants repaid	(37,071)		-
Capital grant abatement	19,531		-
Receipts from sale of tangible assets	20,100		-
			<u>          </u>
<b>NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE</b>		<u>(666,209)</u>	<u>(481,965)</u>
<b>NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		<u>(91,186)</u>	<u>(197,879)</u>
<b>Financing:</b>			
Loans repaid	(69,004)		(356,739)
Shares issued	7		4
Shares cancelled	(40)		(29)
			<u>          </u>
<b>NET CASH (OUTFLOW) FROM FINANCING</b>		<u>(69,037)</u>	<u>(356,764)</u>
<b>(DECREASE) / INCREASE IN CASH</b>		<u>(160,223)</u>	<u>(554,643)</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 2012**

**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 2010 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 2012 (Continued)

## 1.7 Depreciation

**Housing Properties**

The Association depreciates housing properties by major component on a straight line basis over the expected economic useful lives of each identified component. The Association also performs an annual impairment review where appropriate in accordance with FRS 11. All components are categorised as Housing Properties. No depreciation is charged on the cost of land.

<b>Component</b>	<b>Useful Economic Life</b>
Kitchen	10 years
Central Heating System	15 years
Bathroom	15 years
Windows	25 years
Structure	(a mixture of 50 & 100 years)

**Other fixed assets**

Depreciation is charged on other fixed assets as follows:

Commercial Property	- 6 <sup>2</sup> / <sub>3</sub> % straight line
Computers and other Office Equipment	- 20% straight line
Furniture and Fittings	- 15% reducing balance
Furniture for Furnished Accommodation	- 33 <sup>1</sup> / <sub>3</sub> % 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.



## DALMUIR PARK HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

## 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.

## 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 19.2% 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.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (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 (Restated)</i>
	£	£	£	£	£	
Rents receivable net of service charges	1,696,265	195,113	50,611	-	1,941,989	1,843,356
Service Charges	156,032	4,503	-	-	160,535	153,476
Gross income From rents and Service charges	1,852,297	199,616	50,611	-	2,102,524	1,996,832
Less voids	(9,686)	(4,414)	-	-	(14,100)	(25,708)
Net income from Rents & service Charges	1,842,611	195,202	50,611	-	2,088,424	1,971,124
Grants from the Scottish Ministers	-	11,447	-	-	11,447	11,463
Other revenue Grants	34,090	-	-	-	34,090	50,451
<b>Total turnover from Social letting Activities</b>	<b>1,876,701</b>	<b>206,649</b>	<b>50,611</b>	<b>-</b>	<b>2,133,961</b>	<b>2,033,038</b>
Management and Maintenance Administration costs	626,585	74,341	10,297	-	711,223	807,956
Service costs	132,932	4,595	-	-	137,527	176,219
Planned and Cyclical Maintenance including Major Repairs costs	64,664	1,843	-	-	66,507	121,131
Reactive maintenance costs	589,780	10,393	-	-	600,173	416,264
Bad debts – rents and service charges	30,850	-	-	-	30,850	20,842
Depreciation of Social housing	200,908	23,837	1,322	-	226,067	163,382
Impairment of Social housing	-	-	-	-	-	-
<b>Operating costs for Social letting Activities</b>	<b>1,645,719</b>	<b>115,009</b>	<b>11,619</b>	<b>-</b>	<b>1,772,347</b>	<b>1,705,794</b>
<b>Operating surplus or Deficit for social Lettings</b>	<b>230,982</b>	<b>91,640</b>	<b>38,992</b>	<b>-</b>	<b>361,614</b>	<b>327,244</b>
Operating surplus or Deficit for social Letting for previous Period of letting	222,375	74,010	30,859	-	327,244	

## DALMUIR PARK HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2012

## 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	-	-	-	3,625	3,625	-	29,642	(26,017)	(47,562)
Care & repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	102,888	102,888	-	108,925	(6,037)	(13,232)
Development & construction of property activities	1,145	-	-	-	1,145	-	5,187	(4,042)	(37,526)
Support Services	-	-	-	-	-	-	-	-	-
Care activities	-	398	146,986	241,780	389,164	-	381,328	7,836	(11,636)
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	1,145	398	146,986	348,293	496,822	-	525,082	(28,260)	(109,956)
Total from other activities from previous period of account	1,146	1,958	158,388	320,021	481,513	-	591,469	(109,956)	

## DALMUIR PARK HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

4. DIRECTORS' EMOLUMENTS	2012 £	2011 £
Total Emoluments (including pension contributions and benefits in kind)	<u>179,028</u>	<u>162,321</u>
Total Emoluments (excluding pension contributions of highest paid Director)	<u>85,072</u>	<u>84,107</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	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 £13,784 (2011 - £10,795).

MEMBERS' EXPENSES	2012 £	2011 £
Total expenses reimbursed in so far as not chargeable to United Kingdom Income Tax		
Management Committee	<u>1,415</u>	<u>1,703</u>

## 5. EMPLOYEE INFORMATION

	2012 Number	2011 Number
The average weekly number of persons employed during the year was:		
Core staff	17	19
Care staff	<u>19</u>	<u>20</u>
	<u>36</u>	<u>39</u>

## DALMUIR PARK HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

## 5. EMPLOYEE INFORMATION (Continued)

	2012 £	2011 £
Staff costs:		
Wages and Salaries	815,082	802,340
Social Security Costs	66,036	67,517
Pension Costs	85,448	73,868
	<u>966,566</u>	<u>943,725</u>
Care staff salary costs included in Staff costs above	<u>264,203</u>	<u>305,876</u>

## 6. OPERATING SURPLUS

	2012 £	2011 £ (Restated)
The Operating Surplus is stated after charging:-		
Depreciation	297,884	267,389
Auditors' Remuneration	<u>9,501</u>	<u>9,420</u>

## 7 a) GAIN ON SALE OF HOUSING ACCOMMODATION

In the year to 31 March 2012 Dalmuir Park Housing Association had no gains on sale of housing accommodation (2010 - nil). 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 (LOSS) / GAIN ON INVESTMENTS

	2012 £	2011 £
Cost of Investments	321,900	323,670
Valuation at 31 March 2012	319,541	321,900
(Impairment) / Impairment reversal	<u>(2,359)</u>	<u>(1,770)</u>

## 8 a) INCOME FROM INVESTMENTS

	2012 £	2011 £
Bank Interest Receivable	<u>20,910</u>	<u>21,321</u>

## 8 b) INTEREST PAYABLE

	2012 £	2011 £
Loans	<u>39,466</u>	<u>67,721</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

## 9. TAXATION

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

## 10. TANGIBLE FIXED ASSETS

## 10 a) HOUSING PROPERTIES

	Properties For Letting £	Land Held For Development £	Shared Ownership Properties £	Total £
<b>COST</b>				
At 1 April 2011(Restated)	27,333,967	431,495	1,206,885	28,972,347
Additions	597,795	-	-	597,795
Disposals	(39,631)	-	-	(39,631)
Transfers	-	-	-	-
At 31 March 2012	<u>27,892,131</u>	<u>431,495</u>	<u>1,206,885</u>	<u>29,530,511</u>
<b>SOCIAL HOUSING GRANT</b>				
At 1 April 2011	23,219,522	-	956,700	24,176,222
Additions	63,320	-	-	63,320
Disposals	(37,071)	-	-	(37,071)
Transfers	-	-	-	-
At 31 March 2012	<u>23,245,771</u>	<u>-</u>	<u>956,700</u>	<u>24,202,471</u>
<b>OTHER GRANTS</b>				
At 1 April 2011	255,234	-	-	255,234
Additions	-	-	-	-
Disposals	-	-	-	-
Transfers	-	-	-	-
At 31 March 2012	<u>255,234</u>	<u>-</u>	<u>-</u>	<u>255,234</u>
<b>DEPRECIATION</b>				
At 1 April 2011 (Restated)	1,073,841	-	22,067	1,095,908
Charge for year	224,295	-	1,772	226,067
Disposals	-	-	-	-
Transfers	-	-	-	-
At 31 March 2012	<u>1,298,136</u>	<u>-</u>	<u>23,839</u>	<u>1,321,975</u>
<b>NET BOOK VALUE</b>				
At 31 March 2012	<u>3,092,990</u>	<u>431,495</u>	<u>226,346</u>	<u>3,750,831</u>
At 31 March 2011 (Restated)	<u>2,785,370</u>	<u>431,495</u>	<u>228,118</u>	<u>3,444,983</u>

Capitalised interest and development expenditure included in capital expenditure for the year amounted to £Nil (2011 - £Nil)

## DALMUIR PARK HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

## 10 b) OTHER FIXED ASSETS

	Office Furniture And Equipment	Commercial Properties	TOTAL
			£
<b>Cost</b>			
As at 1 April 2011	597,019	396,913	993,932
Additions	134,294	-	134,294
Disposals	-	-	-
As at 31 March 2012	<u>731,313</u>	<u>396,913</u>	<u>1,128,226</u>
<b>Grant Income</b>			
As at 1 April 2011	-	25,500	25,500
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2012	<u>-</u>	<u>25,500</u>	<u>25,500</u>
<b>Depreciation</b>			
As at 1 April 2011	396,798	107,270	504,068
Charge for year	46,804	25,013	71,817
Disposals	-	-	-
As at 31 March 2012	<u>443,602</u>	<u>132,283</u>	<u>575,885</u>
<b>Net Book Value</b>			
As at 31 March 2012	<u>287,711</u>	<u>239,130</u>	<u>526,841</u>
As at 31 March 2011	<u>200,221</u>	<u>264,143</u>	<u>464,364</u>

## 10 c) INVESTMENTS

	2012 £	2011 £
<b>Cost</b>		
As at 1 April 2011 and 31 March 2012	<u>321,900</u>	<u>323,670</u>
<b>Unrealised (Loss)</b>		
Movement	<u>(2,359)</u>	<u>(1,770)</u>
<b>Net Book Value</b>		
As at 1 April 2011 and 31 March 2012	<u>319,541</u>	<u>321,900</u>



## DALMUIR PARK HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

11. DEBTORS	2012 £	2011 £
Amounts falling due within one year:-		
Arrears of rent and service charges	280,143	268,805
Less provision for doubtful debts	(42,000)	(42,000)
	<u>238,143</u>	<u>226,805</u>
Grants Receivable	34,176	42,173
Other Debtors	212,630	141,505
	<u>484,949</u>	<u>410,483</u>

12. CREDITORS DUE WITHIN ONE YEAR	2012 £	2011 £
Loans	67,650	69,600
Other taxes and social security costs	-	-
Trade Creditors	40,010	8,645
Accruals	67,332	44,576
Deferred Income	-	-
Other Creditors	9,935	28,655
Rent in Advance	50,334	48,929
	<u>235,261</u>	<u>200,405</u>

Included in other creditors are amounts due to pension companies of £2,722 (2011 - £3,291).

13. CREDITORS DUE AFTER ONE YEAR	2012 £	2011 £
Housing loans		
- between one and two years	68,300	71,300
- between two and five years	222,900	231,900
- due after five years	600,139	655,193
	<u>891,339</u>	<u>958,393</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 2012 (Continued)

	2012 £	2011 £
<b>14. SHARE CAPITAL</b>		
Called up, issued and fully paid: Shares of £1 each		
As at 1 April 2011	236	261
Issued in year	7	4
Cancelled in year	(40)	(29)
As at 31 March 2012	<u>203</u>	<u>236</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.

**15. DESIGNATED RESERVES**

	Opening Balance £	Movement £	Transfer £	Closing Balance £
Major Repairs (restated)	3,035,918	(470,800)	791,721	3,356,839
Cyclical Maintenance	400,000	(64,106)	164,106	500,000
Former Scottish Homes Stock	200,000	(62,682)	62,682	200,000
Wider Action	98,493	239	-	98,732
	<u>3,734,411</u>	<u>(597,349)</u>	<u>1,018,509</u>	<u>4,155,571</u>

**16. REVENUE RESERVE**

	2012 £
At beginning of year as previously stated	407,638
Prior Year Adjustment	<u>121,159</u>
At 1 April 2011 as restated	528,797
Surplus for the year	312,440
Transfer to Designated Reserves	(421,159)
At 31 March 2012	<u>420,078</u>

## DALMUIR PARK HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

17. RECONCILIATION OF SURPLUS TO NET CASHFLOW  
FROM OPERATING ACTIVITIES

	2012 £	2011 £ (Restated)
Operating Surplus	333,355	217,289
Depreciation	297,884	267,390
(Increase) / Decrease in debtors	(74,466)	(61,096)
Increase /(Decrease) in creditors	36,806	(93,097)
	<u>593,579</u>	<u>330,486</u>

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

	2012 £	2011 £
(Decrease) / Increase in cash for year	(160,223)	(554,643)
Loan repayments	69,004	356,738
	<u>(91,219)</u>	<u>(197,905)</u>
Net Debt at 1 April 2011	(247,481)	(49,576)
Net Debt at 31 March 2012	<u>(338,700)</u>	<u>(247,481)</u>

## 19. ANALYSIS OF CHANGES IN NET DEBT

	As at 1 April 2011 £	Cash Flows £	Other Changes £	As at 31 March 2012 £
Cash at bank and in hand	780,512	(160,223)	-	620,289
Debt due within one year	(69,600)	67,054	(65,104)	(67,650)
Debt due after one year	(958,393)	1,950	65,104	(891,339)
	<u>(247,481)</u>	<u>(91,219)</u>	<u>-</u>	<u>(338,700)</u>

## DALMUIR PARK HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

## 20. HOUSING STOCK

	2012 Number	2011 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	462	461
Supported housing	70	70
Shared ownership	32	32
	<u>692</u>	<u>691</u>

## 21. ASSURED TENANCY RENTS

	2012 £	2011 £
Average Scottish Secured tenancy rent for Housing accommodation	<u>2,800</u>	<u>2,657</u>
Percentage increase from previous year	<u>5.4%</u>	<u>3.3%</u>

## 22. CONTINGENT LIABILITIES

The Association has contingent liabilities of £457,225 (see note 26) at the year end. (2011 - £378,029)

## 23. CAPITAL COMMITMENTS

	2012 £	2011 £
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 2012 (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 2012 a total of £39,445 was spent on reactive and planned maintenance. This makes a total of £1,690,682 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 Scottish Housing Associations' Pension Scheme ('the Scheme'). The Scheme is funded and is contracted-out of the State Pension scheme.

The Scheme offers five benefit structures to employers, namely:

- Final salary with a 1/60th accrual rate.
- Career average revalued earnings with a 1/60th accrual rate.
- 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.

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 Limited paid contributions at the rate of 9.6% of pensionable salaries. Member contributions were 9.6%.

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

**26. PENSION OBLIGATIONS (Continued)**

As at the balance sheet date there were 11 active members of the Scheme employed by Dalmuir Park Housing Association Limited. The annual pensionable payroll in respect of these members was £308,740.

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

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

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

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

## DALMUIR PARK HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

## 26. PENSION OBLIGATIONS (Continued)

The key valuation assumptions used to determine the assets and liabilities of the Scottish Housing Associations' Pension Scheme are:

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
<b>Rate of pension increases</b>	
- Pension accrued pre 6 April 2005 in excess of GMP	2.9
- Pension accrued post 6 April 2005 (for leavers before 1 October 1993 pension increases are 5.0%)	2.2
Rate of price inflation	3.0

Non-pensioners	SAPS (S1PA) All Pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement
Pensioners	SAPS (S1PA) All Pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement

Final salary 1/60ths	19.2
Career average revalued earnings 1/60ths	17.1
Career average revalued earnings 1/70ths	14.9
Career average revalued earnings 1/80ths	13.2
Career average revalued earnings 1/120ths	9.4
Additional rate for deficit contributions	10.4

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 Scottish Housing Associations' 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.

**DALMUIR PARK HOUSING ASSOCIATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2012 (Continued)****26. PENSION OBLIGATIONS (Continued)**

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

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

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the 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 Scottish Housing Associations' Pension Scheme based on the financial position of the Scheme as at 30 September 2011. As of this date the estimated employer debt for Dalmuir Park Housing Association was £457,225 (see note 22).

**27. PRIOR YEAR ADJUSTMENT**

During the year the Association adopted component accounting, this resulted in a restatement of previous years' results whereby costs had previously been written off to major repairs were capitalised as a component of the property and depreciated over their useful lives. The 2011 surplus was increased by £121,159 and similarly Housing Assets were increased by the same amount. The total adjustment comprised the period to 31 March 2011 and an increase in reserves and assets of £1,355,570.