

Hillhead Housing Association 2000 Limited

Report and Financial Statements

For the year ended 31st March 2011

Registered Housing Association No.HCB 326

FSA Reference No. 2562R(S)

Scottish Charity No. SC029908

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

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HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

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

MANAGEMENT COMMITTEE

Claire Taylor	Chairperson
Jacqui Peltier	Vice Chairperson
Margaret Morier	Secretary
Patricia Peat	Treasurer
Stewart MacKenzie	
Cllr John Jamieson	
Cllr Stewart MacDonald	
Gina Black	Co opted 06/10/10
Eleanor Mulvey	From 15/09/10
James Shovlin	From 15/09/10
Ceara Taylor	From 15/09/10
Michael McFarlane	Deceased 18/07/10

EXECUTIVE OFFICERS

Stephen Macintyre	Director
Elsbeth Sharkey	Housing Manager

REGISTERED OFFICE

60 Highfield Road
Hillhead
Kirkintilloch
G66 2PS

AUDITORS

Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow
G2 7HF

BANKERS

Royal Bank of Scotland
116 Cowgate
Kirkintilloch
G66 1JX

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

FINANCE AGENTS

FMD Financial Services Ltd
Unit 29
KCEDG Commercial Centre
Ladyloan Place
Drumchapel
G15 8LB

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2011

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

Legal Status

The Association is a registered non-profit making organisation under the Industrial and Provident Societies Act 1965 No.2562R(S). The Association is constituted under its Rule Book. The Association is a registered Scottish Charity with the charity number SC029908.

Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation.

Review of Business and Future Developments

There were a number of significant developments during the year that ended 31 March 2011.

At the end of the calendar year 2010 our third new-build development of 34 new homes was completed and brought the number of new homes completed to 105. Earlier in the year we obtained planning consent for the demolition and new build of our final new build development at Ivanhoe Drive. Although we have consent for 87 new homes funding limitations means only 71 homes can be developed for the Association. The remaining 16 homes will be built and funded by the Council as part of a development partnership between the Association and the Council. In the year to 31 March 2011, £2.328M was invested in our ongoing development programme.

Following conclusion of the our funding negotiations with the Scottish Government we were able to move forward with the review of our Business Plan which has resulted in an application being made to our Funders - Royal Bank of Scotland for additional funding to complete the funding for the new-build development at Ivanhoe Drive.

As the Association moves into a period of "managed debt", maximising our income from rents is vital. Just over half (55%) of our rental incomes derives from direct payment of housing benefit to the Association. During the year we have managed to reduce the level of current tenant rent arrears to £43,405 from £53,082 in March 2010. However Former Tenant Arrears remain difficult to collect and increased from £29,547 in March 2010 to £37,885 a year later. For the year to 31 March 2011 the proportion of rent collected stood at 98.2%.

The Association's welfare rights service continues to demonstrate its worth and by the end of year had secured over £0.196M of additional benefits income for our tenants. During the year intervention from the Welfare Rights Officer has secured £3,109 in additional housing benefit payments towards current tenant arrears.

Sustaining people in their tenancies is a key element of ensuring the well being of our community and over the year out of 63 new lets only 3 have ended within 1 year. The establishment of our Tenancy Support Service in February 2010 has provided much needed support and assistance to 45 tenants. Funding for 2011/12 has been secured from the Scottish Government Wider Role Fund. The support services are provided by the Mungo Foundation with an Officer based in the Association's Office.

REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31ST MARCH 2011

Review of Business and Future Developments (Contd.)

The Association continues to make significant headway to ensure all our stock meets the requirements of the Scottish Housing Quality Standard (SHQS) by 2015. During the year a further 50 homes were improved and now exceed the standard. The proportion of our housing stock that fails the standard stands at 22.15%. Planned Renewal Works will result in all stock being compliant by March 2013.

In January 2011 works started on our sixth phase of planned renewal works to 97 properties. As with the preceding phase this works includes both internal and external improvements. The contract value is £2M. During the year we spent £1.965M in planned renewal works and a further £0.136M on cyclical works. Preparatory work on our seventh phase began in 2011 and tenders were issued for this scheme in April 2011.

In October 2010 we successfully managed the transition from our temporary reactive maintenance contractor to our current Contractor, Rodgers & Johnston. Since the appointment of our new Contractor the repairs service has improved in the last quarter of the year and outperformed the performance measures with over 99.5% of all jobs being completed within timescales. (The performance level for the whole year was 92.08%). On average the time taken to respond to all non emergency repairs is 4 days. 99.7% of Emergency Repairs were dealt within the 2 hour call out period. As well as offering tenants an excellent service the Association is satisfied that the service represents value for money.

Overall the Association is pleased that it has managed to maintain the momentum of developments despite operating in a challenging environment and continues to seek out efficiency savings wherever possible.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2011

Management Committee and Executive Officers

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

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

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

Statement of Management Committee's Responsibilities

The Industrial and Provident Societies Acts 1965 to 2002 require the Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those Financial Statements, the Management Committee is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business;
- prepare a statement on Internal Financial Control.

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

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

In so far as the Management Committee are aware:

- There is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Association's auditors are unaware, and
- The Management Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's auditors are aware of that information.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31ST MARCH 2011

Statement on Internal Financial Control

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

- the reliability of financial information used within the Association, or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition.

It is the Management Committee's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. Key elements of the Association's systems include ensuring that:

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- regular financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- the Management Committee receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

Auditors

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

By order of the Management Committee


MARGARET MORIER
Secretary
07 September 2011

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

REPORT BY THE AUDITORS TO THE MANAGEMENT COMMITTEE OF
HILLHEAD HOUSING ASSOCIATION 2000 LIMITED
ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on Page 5 concerning the Association's compliance with the information required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing".

Basis of Opinion

We carried out our review having regard to the requirements relating to corporate governance matters within Bulletin 2006/5 issued by the Auditing Practices Board. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 5 has provided the disclosures required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing" and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the Management Committee and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the section on Internal Financial Control within SFHA's "Raising Standards in Housing".



ALEXANDER SLOAN
Chartered Accountants

GLASGOW
07 September 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

We have audited the financial statements of Hillhead Housing Association 2000 Limited for the year ended 31st March 2011 which comprise an income and expenditure account, balance sheet, cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective Responsibilities of Management Committee and Auditors

As explained more fully in the Statement of Management Committee's Responsibilities the Association's Management Committee are responsible for the preparation of the Financial Statements that give a true and fair view.

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

Scope of the audit on the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Management Committee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Management Committee's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

Opinion on the financial statements

In our opinion the Financial Statements:

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

Matters on which we are required to report by exception

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

- proper books of account have not been kept by the Association in accordance with the requirements of the legislation.
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HILLHEAD HOUSING ASSOCIATION 2000 LIMITED**

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

- the Income and Expenditure Account to which our report relates, and the Balance Sheet are not in agreement with the books of the Association.
- we have not received all the information and explanations necessary for the purposes of our audit.

We have nothing to report in respect of these matters.



ALEXANDER SLOAN
Chartered Accountants
Statutory Auditors
GLASGOW
07 September 2011

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

	Notes	2011 £	2010 £
TURNOVER	2.	2,402,113	2,330,941
Operating Costs	2.	<u>(3,611,937)</u>	<u>(2,767,595)</u>
OPERATING DEFICIT	9.	(1,209,824)	(436,654)
Gain On Sale of Housing Stock	7.	88,514	22,265
Interest Receivable and Other Income		3,126	36,679
Interest Payable and Similar Charges	8.	(25,931)	-
Other Finance Costs	22.	<u>(4,000)</u>	<u>(6,000)</u>
		<u>61,709</u>	<u>52,944</u>
DEFICIT ON ORDINARY ACTIVITIES		<u>(1,148,115)</u>	<u>(383,710)</u>
STATEMENT OF RECOGNISED GAINS AND LOSSES		2011	2010
		£	£
Deficit On Ordinary Activities		(1,148,115)	(383,710)
Actuarial Gains/(Losses) on Defined Benefit pension scheme		<u>48,000</u>	<u>(84,000)</u>
Total Losses relating to the current financial year		<u>(1,100,115)</u>	<u>(467,710)</u>

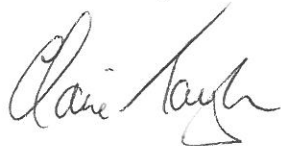
HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

BALANCE SHEET AS AT 31st MARCH 2011

	Notes	£	2011 £	£	2010 £
TANGIBLE FIXED ASSETS					
Housing Properties - Depreciated Cost	11.(a)		14,613,348		12,375,624
Less: Social Housing Grant	11.(a)		(9,818,194)		(8,669,509)
: Other Public Grants	11.(a)		(452,743)		(400,750)
			<u>4,342,411</u>		<u>3,305,365</u>
Other fixed assets	11.(b)		33,637		43,281
			<u>4,376,048</u>		<u>3,348,646</u>
CURRENT ASSETS					
Debtors	14.	514,655		346,329	
Cash at bank and in hand		<u>502,878</u>		<u>2,294,878</u>	
		1,017,533		2,641,207	
CREDITORS: Amounts falling due within one year	15.	<u>(1,603,326)</u>		<u>(1,776,476)</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(585,793)</u>		<u>864,731</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,790,255</u>		<u>4,213,377</u>
CREDITORS: Amounts falling due after more than one year					
Pension Liability	16.		(1,430,000)		(680,000)
	22.		<u>(96,000)</u>		<u>(169,000)</u>
NET ASSETS			<u>2,264,255</u>		<u>3,364,377</u>
CAPITAL AND RESERVES					
Share Capital	18.		76		83
Designated Reserves	19.(a)		2,233,291		3,433,294
Revenue Reserves	19.(b)		126,888		100,000
Pension Reserve	19.(c)		<u>(96,000)</u>		<u>(169,000)</u>
			<u>2,264,255</u>		<u>3,364,377</u>

The Financial Statements were approved by the Management Committee and signed on their behalf on 07 September 2011.

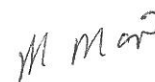
Chairperson



Vice-Chairperson



Secretary



HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED
31st MARCH 2011

	Notes	£	2011 £	£	2010 £
Net Cash (Outflow) / Inflow from Operating Activities	17.		(1,347,712)		290,952
Returns on Investment and Servicing of Finance					
Interest Received		3,126		36,679	
Interest Paid		(25,931)		-	
Net Cash (Outflow) / Inflow from Investment and Servicing of Finance			(22,805)		36,679
Capital Expenditure and Financial Investment					
Acquisition and Construction of Properties		(2,328,293)		(5,578,862)	
Purchase of Other Fixed Assets		(10,863)		(48,408)	
Social Housing Grant Received		1,027,163		2,897,658	
Social Housing Grant Repaid		(149,146)		(50,275)	
Other Grants Received		51,993		56,293	
Proceeds on Disposal of Properties		237,660		72,540	
Net Cash Outflow from Capital Expenditure and Financial Investment			(1,171,486)		(2,651,054)
Financing					
Loan Advances Received		750,000		-	
Share Capital Issued		3		10	
Net Cash Inflow from Financing			750,003		10
Decrease in Cash	17.		(1,792,000)		(2,323,413)

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Basis Of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords 2008, and on the historical cost basis. They also comply with the Registered Social Landlords Accounting Requirements (Scotland) Order 2007. A summary of the more important accounting policies is set out below.

Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable.

Retirement Benefits

Strathclyde Pension Fund

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

The expected cost to the Association of pensions is charged to income so as to spread the cost of pensions over the service lives of the employees in the scheme taken as a whole.

The Association has fully adopted accounting standard FRS17 'Retirement Benefits' during the year. The impact of this standard has been reflected throughout the financial statements. Prior year comparatives have been restated where appropriate.

The difference between the fair value of the assets held in the Association's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method as recognised in the Association's balance sheet as a pension scheme liability as appropriate.

SHAPS Pension Fund

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

Valuation Of Housing Properties

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

Depreciation And Impairment Of Other Fixed Assets

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

Office Premises	- 10%
Furniture and Fittings	- 33%
Computer and Office Equipment	- 33%

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

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Social Housing Grant And Other Grants In Advance/Arrears

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

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

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

Sales Of Housing Properties

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

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

Disposals under shared equity schemes are accounted for in the Income and Expenditure Account. The remaining equity in the property is treated as a fixed asset investment, which is matched with the grant received.

Leases/Leased Assets

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

Works to Existing Properties

benefits by increasing the net rental stream over the life of the property.

Capitalisation Of Development Overheads

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

Development Interest

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

Designated Reserves

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

The Major Repairs Reserve is based on the Association's liability to maintain housing properties in a state of repair which at least maintains their residual values in prices prevailing at the time of acquisition and construction.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Notes	2011			2010		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Social Lettings	3.	2,255,323	3,438,062	(1,182,739)	2,237,665	2,645,409	(407,744)
Other Activities	4.	146,790	173,875	(27,085)	93,276	122,186	(28,910)
Total		2,402,113	3,611,937	(1,209,824)	2,330,941	2,767,595	(436,654)

3. PARTICULARS OF INCOME & EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing £	Supported Housing £	Shared ownership £	2011 Total £	2010 Total £
Income from Lettings					
Rent Receivable Net of Identifiable Service Charges	2,649,393	-	-	2,649,393	2,486,752
Service Charges Receivable	12,918	-	-	12,918	6,724
Gross Rents Receivable	2,662,311	-	-	2,662,311	2,493,476
Less: Rent losses from voids	413,388	-	-	413,388	295,171
Net Rents Receivable	2,248,923	-	-	2,248,923	2,198,305
Revenue Grants from Scottish Ministers	-	-	-	-	39,360
Revenue Grants From Local Authorities and Other Agencies	6,400	-	-	6,400	-
Total Income From Social Letting	2,255,323	-	-	2,255,323	2,237,665
Expenditure on Social Letting Activities					
Service Costs	12,918	-	-	12,918	6,724
Management and maintenance administration costs	759,058	-	-	759,058	789,182
Reactive Maintenance	416,246	-	-	416,246	363,342
Bad Debts - Rents and Service Charges	12,176	-	-	12,176	4,510
Planned and Cyclical Maintenance, including Major Repairs	2,147,095	-	-	2,147,095	1,418,180
Depreciation of Social Housing	90,569	-	-	90,569	63,471
Operating Costs of Social Letting	3,438,062	-	-	3,438,062	2,645,409
Operating Surplus on Social Letting Activities	(1,182,739)	-	-	(1,182,739)	(407,744)
2010					(407,744)

Rent losses from voids includes an amount of £379,458 in respect of properties not re-let prior to demolition.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Grants From Scottish Ministers	Other Revenue Grants	Supporting People Income	Other Income	Total Turnover	Operating Costs Bad Debts	Operating Costs Other	Operating Surplus / (Deficit) 2011	Operating Surplus / (Deficit) 2010
	£	£	£	£	£	£	£	£	£
Wider Role Activities	83,818	14,232	-	2,543	100,593	-	123,921	(23,328)	(28,146)
Welfare Rights	12,152	32,426	-	1,000	45,578	-	48,119	(2,541)	3,712
Rechargeable Repairs	-	-	-	619	619	1,835	-	(1,216)	(4,476)
Total From Other Activities	95,970	46,658	-	4,162	146,790	1,835	172,040	(27,085)	(28,910)
2010	33,513	54,903	-	4,860	93,276	5,336	116,850	(28,910)	

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

	2011	2010
The Officers are defined in s74 of the Industrial and Provident Societies Act 1965 as the members of the Management Committee, managers or servants of the Association.	£	£

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

Emoluments payable to Chief Executive (excluding pension contributions)	<u>52,951</u>	<u>52,567</u>
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6. EMPLOYEE INFORMATION

	2011	2010
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	<u>17</u>	<u>17</u>

The average total number of Employees employed during the year was	<u>17</u>	<u>19</u>
--	-----------	-----------

Staff Costs were:	£	£
Wages and Salaries	455,693	472,391
Social Security Costs	33,821	33,596
Other Pension Costs	74,772	69,545
	<u>564,286</u>	<u>575,532</u>

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. GAIN ON SALE OF HOUSING STOCK

	2011	2010
	£	£
Sales Proceeds	237,660	72,540
Cost of Sales	149,146	50,275
Gain On Sale of Housing Stock	<u>88,514</u>	<u>22,265</u>

8. INTEREST PAYABLE

	2011	2010
	£	£
On Bank Loans - Interest	1,659	-
On Bank Loans - Non-Utilisation charges	24,272	-
On Other Loans	-	-
	<u>25,931</u>	<u>-</u>
Less: Interest Capitalised	<u>-</u>	<u>-</u>
	<u>25,931</u>	<u>-</u>

9. DEFICIT ON ORDINARY ACTIVITIES

	2011	2010
	£	£
Deficit on Ordinary Activities is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	111,075	84,149
Auditors' Remuneration - Audit Services	6,228	5,816
Operating Lease Rentals - Other	<u>2,838</u>	<u>2,646</u>

10. TAX ON DEFICIT ON ORDINARY ACTIVITIES

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

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. TANGIBLE FIXED ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Total £
COST			
As at 1st April 2010	9,636,696	2,802,399	12,439,095
Additions	133,749	2,194,544	2,328,293
Disposals	-	-	-
Schemes Completed	3,925,259	(3,925,259)	-
As at 31st March 2011	<u>13,695,704</u>	<u>1,071,684</u>	<u>14,767,388</u>
DEPRECIATION			
As at 1st April 2010	63,471	-	63,471
Charge for Year	90,569	-	90,569
Disposals	-	-	-
As at 31st March 2011	<u>154,040</u>	<u>-</u>	<u>154,040</u>
SOCIAL HOUSING GRANT			
As at 1st April 2010	6,103,618	2,565,891	8,669,509
Additions	77,001	1,071,684	1,148,685
Disposals	-	-	-
Schemes Completed	2,565,891	(2,565,891)	-
As at 31st March 2011	<u>8,746,510</u>	<u>1,071,684</u>	<u>9,818,194</u>
OTHER CAPITAL GRANTS			
As at 1st April 2010	400,750	-	400,750
Additions	51,993	-	51,993
Disposals	-	-	-
Schemes Completed	-	-	-
As at 31st March 2011	<u>452,743</u>	<u>-</u>	<u>452,743</u>
NET BOOK VALUE			
As at 31st March 2011	<u>4,342,411</u>	<u>-</u>	<u>4,342,411</u>
As at 31st March 2010	<u>3,068,857</u>	<u>236,508</u>	<u>3,305,365</u>

Additions to housing properties includes capitalised development administration costs of £47,465 (2010 - £38,866) and capitalised major repair costs to existing properties of £nil (2010- £nil).

All land and housing properties are freehold.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. TANGIBLE FIXED ASSETS (Continued)

b) Other Tangible Assets

	Van £	Office Premises £	Furniture & Equipment £	Total £
COST				
As at 1st April 2010	35,809	256,629	192,997	485,435
Additions	-	5,494	5,369	10,863
Eliminated on Disposals	-	-	(53,173)	(53,173)
As at 31st March 2011	35,809	262,123	145,193	443,125
GRANTS RECEIVED				
As at 1st April 2010	35,809	215,794	54,796	306,399
Received in year	-	-	-	-
Eliminated on Disposal	-	-	(33,877)	(33,877)
As at 31st March 2011	35,809	215,794	20,919	272,522
AGGREGATE DEPRECIATION				
As at 1st April 2010	-	21,700	114,055	135,755
Charge for year	-	4,632	15,874	20,506
Eliminated on disposal	-	-	(19,295)	(19,295)
As at 31st March 2011	-	26,332	110,634	136,966
NET BOOK VALUE				
As at 31st March 2011	-	19,997	13,640	33,637
As at 31st March 2010	-	19,135	24,146	43,281

12. CAPITAL COMMITMENTS

	2011 £	2010 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	7,084,488	2,011,600

The above commitments will be financed by a mixture of public grant, private finance and the Association's own resources.

13. COMMITMENTS UNDER OPERATING LEASES

	2011 £	2010 £
At the year end, the annual commitments under operating leases were as follows:-		
Other		
Expiring within one year	374	2,693
Expiring between two and five years	2,464	-

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. DEBTORS

	2011 £	2010 £
Arrears of Rent & Service Charges	79,007	83,832
Less: Provision for Doubtful Debts	<u>(50,490)</u>	<u>(48,126)</u>
	28,517	35,706
Social Housing Grant Receivable	391,528	270,006
Other Debtors	<u>94,610</u>	<u>40,617</u>
	<u>514,655</u>	<u>346,329</u>

15. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Trade Creditors	1,397,014	1,572,133
Rent in Advance	64,094	73,274
Other Taxation and Social Security	2,140	2,140
Other Creditors	<u>140,078</u>	<u>128,929</u>
	<u>1,603,326</u>	<u>1,776,476</u>

At the balance sheet date there were pension contributions outstanding of £2,140 (2010 £2,140)

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

	2011 £	2010 £
Housing Loans - Scottish Government	680,000	680,000
Housing Loans - Bank	750,000	-
	<u>1,430,000</u>	<u>680,000</u>

The Housing Loan of £680,000 due to the Scottish Government is repayable in two equal tranches in 2024 and 2034. There is no interest payable on this sum.

Housing Loans of £750,000 due to the Bank are secured by specific charges on the Association's housing properties and are repayable at varying rates of interest in instalments, due to commence after five years. The split of housing loans are as follows:

In five years or more	<u>1,430,000</u>	<u>680,000</u>
	1,430,000	680,000
Less: Amount shown in Current Liabilities	-	-
	<u>1,430,000</u>	<u>680,000</u>

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. CASH FLOW STATEMENT

<i>Reconciliation of operating deficit to net cash (outflow) / inflow from operating activities</i>	2011 £	2010 £
Operating Deficit	(1,209,824)	(436,654)
Depreciation	111,075	84,149
Change in Debtors	(46,803)	75,940
Change in Creditors	(173,150)	564,529
Share Capital Written Off	(10)	(12)
Defined Benefit Pension Contributions Paid (Strathclyde Pension Fund)	(11,000)	(10,000)
Service cost on defined benefit scheme (Strathclyde Pension Fund)	(18,000)	13,000
Net Cash (Outflow) / Inflow from Operating Activities	<u>(1,347,712)</u>	<u>290,952</u>

<i>Reconciliation of net cash flow to movement in net debt</i>	2011 £	2010 £	2010 £
Decrease in Cash	(1,792,000)	(2,323,413)	
Cash flow from change in debt	<u>(750,000)</u>	-	
Movement in net debt during year	(2,542,000)	(2,323,413)	
Net debt at 1st April 2010	1,614,878	3,938,291	
Net debt at 31st March 2011	<u>(927,122)</u>	<u>1,614,878</u>	

<i>Analysis of changes in net debt</i>	At 01.04.10 £	Cash Flows £	Other Changes £	At 31.03.11 £
Cash at bank and in hand	2,294,878	(1,792,000)		502,878
Bank Overdrafts	-	-		-
	<u>2,294,878</u>	<u>(1,792,000)</u>		<u>502,878</u>
Debt: Due after more than one year	<u>(680,000)</u>	<u>(750,000)</u>		<u>(1,430,000)</u>
Net Debt	<u>1,614,878</u>	<u>(2,542,000)</u>	-	<u>(927,122)</u>

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2010	83
Issued in year	3
Cancelled in year	(10)
At 31st March 2011	<u>76</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings.

19. RESERVES

(a) Designated Reserves	Major Repairs	Total
	£	£
At 1st April 2010	3,433,294	3,433,294
Transfer to Revenue Reserves	(1,200,003)	(1,200,003)
At 31st March 2011	<u>2,233,291</u>	<u>2,233,291</u>

(b) Revenue Reserves	Total
	£
At 1st April 2010	100,000
Deficit for the year	(1,148,115)
Transfer to Pension Reserves	(25,000)
Transfer from Designated Reserves	1,200,003
At 31st March 2011	<u>126,888</u>

(c) Pension Reserves	
	£
At 1st April 2010	(169,000)
Actuarial Gain in the year	48,000
Transfer from Revenue Reserve	25,000
At 31st March 2011	<u>(96,000)</u>

20. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2011	2010
	No.	No.
General Needs - New Build	105	71
- Rehabilitation	790	794
	<u>895</u>	<u>865</u>

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. RELATED PARTY TRANSACTIONS

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

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

- 4 members are tenants of the Association
- 2 members are relevant local councillors
- 1 member is an employee of a relevant local authority

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

Governing Body Members cannot use their position to their advantage. Any transactions between the Association and any entity with which a Governing Body Member has a connection with is made at arm's length and is under normal commercial terms.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. RETIREMENT BENEFIT OBLIGATIONS

General

Hillhead Housing Association 2000 Limited participates in the Scottish Housing Associations' Pension Scheme (the scheme).

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

The Scheme offers five benefit structures to employers, namely:

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

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

Hillhead Housing Association 2000 Limited has elected to operate the final salary with a 1/60th accrual rate benefit structure for active members as at 31st March 2008 and the final salary with a 1/60th accrual rate benefit structure for new entrants from 1st April 2008.

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

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

During the accounting period Hillhead Housing Association 2000 Limited paid contributions at the rate of 15.4% of pensionable salaries. Member contributions were 7.7%.

As at the balance sheet date there were 14 active members of the Scheme employed by Hillhead Housing Association 2000 Limited. The annual pensionable payroll in respect of these members was £416,383. Hillhead Housing Association 2000 Limited continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers as the scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. RETIREMENT BENEFIT OBLIGATIONS (Continued)

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

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30th September 2010. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £335 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £162 million, equivalent to a past service funding level of 67.4%.

Financial Assumptions

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

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

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

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

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. RETIREMENT BENEFIT OBLIGATIONS (Continued)

Valuation Results

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

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

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

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

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

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

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any "orphan" liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. RETIREMENT BENEFIT OBLIGATIONS

Defined Benefit Scheme

The Association operates a defined benefit scheme as an admitted body under the Strathclyde Pension Fund, the assets of which are held in a separate trustee administered fund.

The administering authority has responsibility for the management of the Fund. As most of the Fund's investments are equity based, there is an inherent risk of volatility in the investment market having a significant effect on the value of the fund's assets. In order to mitigate this risk, the Fund holds a diverse investment portfolio with a range of investment managers.

At the balance sheet date, there was 2 active members of the scheme employed by the Association. Total pension contributions made by the Association for the year were £11,000. This includes £nil of outstanding contributions at the balance sheet date. Gross pensionable salaries for the year were £60,000.

The following figures are prepared by the Actuaries in accordance with their understanding of Financial Reporting Standard 17 - 'Retirement Benefits' (FRS 17) and Guidance Note 36: Accounting for Retirement Benefits under Financial Reporting Standard 17 issued by the Institute and Faculty of Actuaries.

Principal Actuarial Assumptions

Assumptions as at	2011 %p.a.	2010 %p.a.	2009 %p.a.
Price increases	2.8	3.8	3.1
Salary increases	5.1	5.3	4.6
Pension increases	6.9	7.2	6.5
Discount rate	5.5	5.5	6.9

The defined benefit obligation is estimated to comprise of the following:

	2011 £'000	2010 £'000
Employee members	364	400
Deferred pensioners	-	-
Pensioners	-	-
	<u>364</u>	<u>400</u>

Net Pension Liability	2011 £'000	2010 £'000
Fair value of employer's assets	264	231
Present value of scheme liabilities	(360)	(400)
Present value of unfunded liabilities	-	-
	<u>(96)</u>	<u>(169)</u>

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. RETIREMENT BENEFIT OBLIGATIONS

Analysis of amount charged to the Income and Expenditure Account

	2011 £'000	2010 £'000
Charged to operating costs:		
Service cost	17	10
Past service cost	(35)	3
	<u>(18)</u>	<u>13</u>
Charged to Other Finance Costs / (Income)		
Expected Return on employer assets	(17)	(11)
Interest on pension scheme liabilities	21	17
	<u>4</u>	<u>6</u>
Net Charge to the Income and Expenditure Account	<u>(14)</u>	<u>19</u>
Actual Return on Plan Assets	<u>19</u>	<u>61</u>

Expected Return on Assets

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period as follows:

Asset Class	2011 % p.a.	2010 % p.a.
Equities	7.5	7.8
Bonds	4.9	5.0
Property	5.5	5.8
Cash	4.6	4.8

Other Assumptions

Mortality Rates

Life expectancy is based on the PFA92 and PMA92 tables, with mortality improvements projected based on members' individual year of birth. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males (Years)	Females (Years)
Current Pensioners	20.6 years	23.9 years
Future Pensioners	22.6 years	26.0 years

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. RETIREMENT BENEFIT OBLIGATIONS

Employer membership statistics	2011 (Number)	2010 (Number)
Actives	2	2
Deferreds	-	-
Pensioners	-	-
Fair Value of employer assets		
	2011 £'000	2010 £'000
Opening fair value of employer assets	231	157
Expected Return on Assets	17	11
Contributions by Members	4	3
Contributions by the Employer	11	10
Actuarial Gains / (Losses)	1	50
	<u>264</u>	<u>231</u>
Closing fair value of employer assets		
	2010 £'000	2009 £'000
Equities	203	178
Bonds	34	30
Property	16	16
Cash	11	7
	<u>264</u>	<u>231</u>
Reconciliation of defined benefit obligations		
	2011 £'000	2010 £'000
Opening defined benefit obligation	400	233
Current Service Cost	17	10
Interest Cost	21	17
Contributions by members	4	3
Actuarial Gains	(47)	134
Past service costs	(35)	3
Estimated Benefits Paid	-	-
	<u>360</u>	<u>400</u>

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. RETIREMENT BENEFIT OBLIGATIONS

Analysis of projected amount to be charged to the Income & Expenditure Account for the year

	£'000	% of pay
Projected current service cost	15	26
Interest on obligation	20	33.3
Expected return on plan assets	(19)	(32)
Past service costs	-	-
Losses / (Gain) on curtailments and settlements	-	-
	<u>16</u>	<u>27</u>

Contributions made by the Association for the year ended 31 March 2012 are estimated to be approximately £12,000.

Amounts for the current and previous accounting periods:

	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Fair value of employer assets	264	231	157	184	188
Present value of defined benefit obligations	(360)	(400)	(233)	(225)	(235)
Deficit	(96)	(169)	(76)	(41)	(47)
Experience (losses) on assets	1	50	(55)	(30)	-
Experience gains on liabilities	-	-	-	(16)	-

Actuarial Gain / (Loss) recognised in the Statement of Recognised Gains and Losses

	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Actuarial gain/(loss) recognised in year	48	(84)	(32)	9
Cumulative actuarial gains	(59)	(107)	(23)	9