

LINTHOUSE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

Financial Services Authority No. 1800 R S

Registered Housing Association No. XH 149

Charity No. 028161

BAKER TILLY UK AUDIT LLP

Chartered Accountants

Glasgow

LINTHOUSE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

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Registration Particulars:

Financial Services Authority	Industrial and Provident Societies Act 1965 Registered Number 1800 R S
Scottish Housing Regulator	Housing (Scotland) Act 2001 Registered Number XH 149
Scottish Charity	Charity and Trustee Investment Act (Scotland) 2005 Scottish Charity Number SC 028161

LINTHOUSE HOUSING ASSOCIATION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

31 MARCH 2011

Chairperson

P Phin (Resigned Oct 2010)

A Guthrie (January 2011)

Secretary

M. Neeson (Retired June 2010)

J McDougall (June 2010)

Registered Office

1 Cressy Street
Glasgow G51 4RB

Bankers

Bank of Scotland
816 Govan Road
Glasgow G51 3UP

The Royal Bank of Scotland plc
Glasgow Govan Branch
788 Govan Road
Glasgow G51 2YL

Anglo Irish Bank
10 Old Jewry
London
EC2R 8DN

Solicitors

Hennessy Bowie & Co
2 Kenmure Lane
Bishopbriggs
Glasgow, G64 2RA

Strefford Tulips
118 Cadzow Street
Hamilton ML3 6HP

McGrigor Donald
Pacific House
70 Wellington Street
Glasgow G2 6SB

Harper Macleod
The Ca'd'oro
45 Gordon Street
Glasgow G1 3PE

T.C. Young
7 West George Street
Glasgow
G2 1BA

Auditors

Baker Tilly UK Audit LLP
Breckenridge House
274 Sauchiehall Street
Glasgow G2 3EH

LINTHOUSE HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2011

The Committee of Management present their report and audited financial statements for the year ended 31 March 2011.

Principal activity

The principal activity of Linthouse HA is the development, management and maintenance of housing for people in housing need.

Linthouse HA is registered with the Financial Services Authority as an Industrial & Provident Society, The Office of the Scottish Charities Regulator (OSCR) as a charity and Scottish Housing Regulator as a Registered Social Landlord.

The table below shows the property we own:

	2011	2010
Managed Property Numbers		
Tenanted Property	1,136	1,122
Shared Ownership Properties	49	49
Total	1,185	1,171
Developing Property Numbers		
Tenanted Property	-	12
Shared Ownership Properties	-	12
Total	-	24

Financial review

Linthouse HA showed a deficit of £461,042 for the year (2010: £93,468 deficit). During the year a major programme of investment in stock in the Langlands area commenced. The works include new roofs, cladding, windows, kitchens, bathrooms and heating systems for many of the properties. The spend on major repairs in the year was £1,372,525. This compares with £896,245 expenditure in the previous year. This expenditure is written off in the year it is incurred and not capitalised.

Despite this expenditure Linthouse is in a strong financial position with over £3.5m deposited as cash funds. The Association continues to have a substantial major repair investment programme and has provided substantial funds over the next four years to meet our commitments under the Scottish Housing Quality Standards to be achieved by 2015.

Surplus for the year

The results for the year are shown in the Income and Expenditure Account on page 16. The deficit for the year to 31 March 2011 is £461,042 (2010: deficit £93,468) which has been dealt with as follows:

	£
Transferred from revenue reserve	-
Transferred from Major Repairs Reserve to revenue reserve	1,137,436

LINTHOUSE HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2011 (Continued)

Members of Committee of Management

The Members of the Committee of the Association during the year to 31 March 2011 were as follows:

Mrs Alison Guthrie (Chairperson) – appointed Jan 11	
Mr Paul Phin (Chairperson) – resigned Oct 10	
Mrs Agnes Cormack (Honorary President)	Mrs Margaret Neeson (Secretary) – retired Jun 10
Mrs Pamela Devoy	Mrs Eileen Dorrian
Baillie Stephen Dorman, Councillor	Mrs Jean Hughes
Mrs Agnes McCusker	Mrs Patricia Sarrison
Mr John O'Connor	Mr John McDougall (Secretary) – appointed Jun 10
Mr Norman Sutton-Hibbert	Mr Thomas McMahan
Miss Roisin McMahan	Mr Chris Kernachan

Each member of the Committee of Management holds one fully paid share of £1 in Linthouse. The executive officers of Linthouse hold no interest in Linthouse's share capital and although not having the legal status of "director" they act as executives within the authority delegated by the Committee.

Executive Team

The Executive Team of Linthouse during the year to 31 March 2011 was as follows:

John McBride	Executive Director
Kenneth MacLeod	Depute Director
Andrea McDowall	Finance Manager
David Cowan	Maintenance Manager

Business Review

Our Strategic Aims

Linthouse HA has as its Strategic Aims:

- Dedication to offering housing solutions and routes in to social inclusion by building, managing and maintaining a range of affordable housing, and providing support for varying needs
- Contributing to community sustainability and regeneration, through innovation and relationships built on trust with our customers and partners
- Ensure we are an employer of choice, and that we deliver quality service and standards throughout our activities including customer involvement
- Ensure that the Association is financially and operationally viable
- Respect for diversity, and ensuring accountability, openness, integrity and compliance in the governance of our activities.

LINTHOUSE HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2011 (Continued)

Our Strategic Aims (Continued)

Our vision is one of diverse communities in which people can expand their opportunities, exercise choice and maximise their potential. To help achieve this, we want to help to drive innovation and quality in accessible housing and support in Scotland. Some of the main objectives which we think can help achieve this aim include

- demonstrating innovation in barrier free housing design, where possible influencing the practice of others and helping to raise standards generally
- rethinking models of residential support, moving from traditional patterns to new models where appropriate
- achieving continuous improvement in all the services we deliver, and achieving and maintaining high standards of business efficiency and effectiveness
- creating opportunities for significant levels of user involvement in what we do
- being recognised by regulators and strategic partners as delivering excellent performance

We see these as challenging objectives, which will change the way we deliver our core services of housing, housing support, personal support, advice, and consultancy. In particular, we seek to challenge what we currently do and look to improve, rather than simply carry on with existing patterns of work.

The Association is committed to a Wider Role of social and economic regeneration for the area and supports the LUV Café as part of this aim.

Operational Review

1 Corporate Governance

Linthouse HA has a Committee of Management who are elected by the members of the Association. It is the responsibility of the Committee to undertake the strategy, setting of policy and overall direction for the Association. They also monitor the operational activities of the Association. The members of the Committee of Management are unpaid.

The Management Team of Linthouse HA are responsible for achieving the strategy set, undertaking the operational activities in line with the policies set.

Our governing body is our Committee of Management, which is responsible to the wider membership. Members of the Committee of Management serve in a voluntary capacity, and we recognise that this puts even more onus on us to ensure that we set and achieve high standards of professionalism in our work. We take governance very seriously, and in the last year we continued to build on work from previous years which strengthened our governance arrangements.

This report details issues that have arisen during the year relating to the main activities undertaken by Linthouse HA.

LINTHOUSE HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2011 (Continued)

2 Corporate Issues

Tenant involvement and participation is a major part of Linthouse HA's Aims and Objectives and the Association has grant aided the Langlands Residents Association for a number of years as part of the commitment to tenant participation. Staff members also attend regular meetings of this residents association.

Performance Management

Service delivery is underpinned by staff performance and performance management. This continues to be a high priority for us and we continue to promote a culture of performance improvement through professionalism and training. Our care staff have completed the Scottish Vocational Qualifications in Health and Social Care.

Best use of resources

We regularly conduct risk assessments, and take any action necessary to reduce or limit risk. We have an ongoing programme of major investment in our housing stock, which is by far our highest expense. This includes carrying out major repairs, and large scale energy efficiency measures. We continually update our stock condition information, to ensure that our long-term financial planning reflects our future investment requirements. We are continuing with our programme of best value reviews, to look for efficiencies and economies in the way that we deliver services.

Services

We aim to deliver high quality services, and we set ourselves the goal of achieving continuous improvement in what we do. Inspections of our supported schemes by the Social Care and Social Work Improvement (Scotland) (SCSWIS) continued to confirm that we have a good standard of service, with few suggestions being made for improvement.

We introduced an improved complaints procedure, and developed a business recovery procedure so that we are better prepared for coping with disasters that may happen. Our rent arrears management improved, with clearer information to tenants on the wide range of payment methods available.

We have a Welfare Rights Officer who has successfully maximised the benefit income of many of our tenants and this has contributed to the reduction in arrears. We continued to deliver many completed adaptations to existing properties, to meet the specific needs of our tenants.

3 Development Issues

The Aboukir Street development completed during the year. This development of 24 flats – 12 rented and 12 for low cost ownership proved very popular and all 12 low cost home ownership flats were sold.

LINTHOUSE HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2011 (Continued)

4 Housing Issues

Linthouse HA continues to work on reducing the period of time taken to re-let or let new properties to ensure that we maximize our effectiveness in housing people in need and reduce our costs. The rent loss due to empty properties was £28,948 (2010 - £11,703). Work is continuing to reduce the number of days to relet.

Linthouse HA continues to review its' rent collection methods.

Our collection performance with regard to current tenants has improved. A new Arrears Recovery Procedure has been put in place and shows a marked improvement on previous performance. Each member of Housing Management staff is committed to ensuring that this trend continues.

The overall collection rate is 94 % and our outstanding net arrears at the year end represent 10.44% of the total rent roll. The collection rate includes a high level of prepayments by tenants and cases where tenants' arrears repayment agreements exceed their monthly debit.

5 Communities Issues

Linthouse HA continues to actively promote its role in Community Regeneration. A range of Community Regeneration Projects is being undertaken through the LUV project from arts and crafts to sewing bees and bringing people together in worthwhile activities. The latest activity is a Community garden which is proving very popular. The Association has recently set up LUV Enterprises to take these activities and other social and economic regeneration activities forward

6 Property Maintenance

The last inspection carried out by the Housing Regulator highlighted strengths in customer consultation and satisfaction.

We have now implemented the recommendations from the best value review; better access and programming for gas safety checks to ensure we comply with legislation; more pre and post inspections to monitor cost and quality of works.

We have in place a robust Performance Management Framework to continually monitor our performance against key indicators.

LINTHOUSE HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2011 (Continued)

7 Support Services Issues

During the year the SCSWIS undertook an inspection of the service. The report was very favourable and where recommendations have been made these have been adopted

On 23rd May 2006, the Association was accepted onto Glasgow City Council's Restricted Standing List (s) of accredited providers. This allows the Association to receive Supporting People funding for our Sheltered and Very Sheltered developments. Due to severe cuts in the social work budget there have been no increases in the contract values for a number of years. The Association has presented a strong case for increases and will continue to pressure social work for a favourable outcome.

8 Finance and IT Issues

We have tendered for a new ICT System and are going through the appraisal and selection process at present.

9. Other Areas

Risk Management Policy

The Committee have introduced a formal risk management process to assess business risks and implement risk management strategies. This involved identifying the types of risks the Association faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Committee have reviewed the adequacy of the Association's current internal controls.

Volunteers

The Association is grateful for the unstinting efforts of volunteers who are involved in the management committee. It is estimated that over 400 volunteer hours were provided during the year. If this is conservatively valued at £10.00 an hour the volunteer effort amounts to over £4,000.

Credit Payment Policy

The Association's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The average payment period is thirty days.

Rental Income

The Association's method of rent setting is a points system based on the size, type and facilities of the accommodation. The policy ensures that the rent structure is easy to administer and covers the wide variations within the Association's properties. Scottish Secure Tenancy rents are reviewed and normally increased annually to cover the Association's projected costs for the forthcoming year.

Maintenance Policies

Linthouse HA seeks to maintain its properties to the highest standard. To this end, programmes of cyclical repairs are carried out in the medium term to deal with the gradual and predictable deterioration of building components. It is expected that the cost of all these repairs will be charged to the Income and Expenditure Account.

LINTHOUSE HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2011 (Continued)

Maintenance Policies (continued)

In addition, Linthouse HA has a long term programme of major repairs to cover for work which has become necessary since the original development was completed, including works required for subsequent legislative changes. This includes replacement or repairs to features of the properties, which have come to the end of their economic lives. The costs of these repairs would be charged to the Income and Expenditure Account, unless it was agreed they could be capitalised within the terms outlined in the Statement of Recommended Practice for Registered Social Landlords. The introduction of component accounting will in future result in capitalisation of costs of replacing major components.

Budgetary Process

Each year the Committee of Management approves the annual budget and rolling five-year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Committee of Management of variances from the budget, updated forecasts for the year together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure and treasury management.

Treasury Management

Linthouse HA has an active treasury management function, which operates in accordance with the Treasury Policy approved by the Committee of Management. In this way Linthouse HA manages its investment and borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held.

Linthouse HA, as a matter of policy, does not enter into transactions of a speculative nature. At 31 March 2011 Linthouse HA has a mix of fixed and variable rate finance, which it considers appropriate at this time.

Quality and Integrity of Personnel

The integrity and competence of personnel are ensured through high recruitment standards and subsequent training courses. High quality personnel are seen as an essential part of the control environment and the ethical standards expected are communicated through the Executive Director.

General Reserves Policy

Linthouse HA has a healthy level of general reserves at £4,129,684 (2010 - £3,453,290). However our programme of planned maintenance will impact significantly on these over the next few years.

The Association has other designated funds. The purpose of these funds is detailed in note 1 in the financial statements.

Linthouse HA has built general reserves to a position to cover a minimum of 1 year's total general expenditure which amounts to £3,973,413 in 2011.

LINTHOUSE HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2011 (Continued)

Sales of housing properties

Properties are disposed of under the appropriate legislation and guidance. All costs, first tranche sales, and grants relating to the share of property sold are removed from the financial statements at the date of sale. Any grants received that cannot be repaid from the proceeds of sale are abated and the grants removed from the financial statements

Employee Involvement and Health and Safety

Linthouse HA takes seriously its responsibilities to employees and as a policy, provides employees with information on matters of concern to them. It is also the policy of the Association to consult where practical, employees or their representatives so that their views may be taken into account in making decisions likely to affect their interests.

Disabled Employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort will be made to retrain them in order that their employment with the Association may continue.

It is the policy of the Association that training, career development and promotion opportunities should be available to all employees.

Committee and officers' Insurance

Linthouse HA has purchased and maintains insurance to cover its Committee and officers against liabilities in relation to their duties on behalf of Linthouse HA, as authorised by the Association's rules.

Home Ownership

One property was sold under right to buy in the year. The low cost home ownership units in the Aboukir Street new build development have allowed some tenants to achieve their aspiration of becoming home owners.

Future developments

The Association will continue with its policy of improving the quality of housing and housing services within its area of activity working with its existing and new partners.

LINTHOUSE HOUSING ASSOCIATION LIMITED

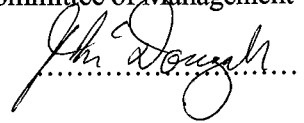
REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2011 (Continued)

Auditors

Baker Tilly UK Audit LLP have indicated their willingness to continue acting as auditor to the Association.

On behalf of the Committee of Management



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Date: 29/6/11

LINTHOUSE HOUSING ASSOCIATION LIMITED

STATEMENT OF MANAGEMENT COMMITTEE RESPONSIBILITIES

Under the legislation relating to Industrial and Provident Societies we are required 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 we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Association will continue in business

We are also responsible for:

- keeping proper accounting records;
- safeguarding the Association's assets;
- taking reasonable steps for the prevention and detection of fraud.

As far as the Committee members are aware there is no relevant audit information of which the auditors are unaware and the Committee members have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to ensure that the auditors are aware of such information.

By order of the Committee of Management



Secretary

Date: 29/6/11

LINTHOUSE HOUSING ASSOCIATION LIMITED

COMMITTEE OF MANAGEMENT'S STATEMENT ON INTERNAL

FINANCIAL CONTROL

31 MARCH 2011

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

- The reliability of financial information used within the Association or for publication;
- The maintenance of proper accounting records; and
- 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 mis-statement or loss. Key elements include ensuring that:

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

LINTHOUSE HOUSING ASSOCIATION LIMITED
COMMITTEE OF MANAGEMENT'S STATEMENT ON INTERNAL
FINANCIAL CONTROL

31 March 2011
(Continued)

The Management have reviewed the system of internal financial control in the Association during the year ended 31 March 2011. No weaknesses were found in internal financial controls, which could result in material losses, contingencies, or uncertainties, which require disclosure in the financial statements or in the auditor's report on the financial statements.

By order of the Committee of Management


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Secretary

Date: 29/6/11.....

LINTHOUSE HOUSING ASSOCIATION LIMITED

AUDITORS' REPORT ON CORPORATE GOVERNANCE MATTERS

Corporate Governance

In addition to our audit of the financial statements, we have reviewed the Committee of Management's statement on pages 12 and 13 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 a review in accordance with 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 requirements in Raising Standards, nor to investigate the appropriateness of the reasons given for non-compliance.

Opinion

In our opinion the statement on internal financial control on pages 12 and 13 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.

Baker Tilly UK Audit LLP

Baker Tilly UK Audit LLP
Statutory Auditors
Chartered Accountants
Glasgow

Date:30/6/11.....

LINTHOUSE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINTHOUSE HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Linthouse Housing Association Limited for the year ended 31 March 2011 on pages 16 to 35. 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 11, 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.

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 2011 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 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.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP
Statutory Auditor
Breckenridge House
274 Sauchiehall Street
Glasgow
G2 3EH

Date 30/6/11

LINTHOUSE HOUSING ASSOCIATION LIMITED

INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 £	2010 £
Turnover	2	5,636,371	3,369,658
Less: Operating costs	2	<u>6,069,624</u>	<u>3,478,194</u>
Operating (deficit)		(433,253)	(108,536)
Profit on sale of fixed assets		-	2,050
Interest receivable and other income		25,544	74,109
Interest payable and other charges	4	<u>(53,333)</u>	<u>(61,091)</u>
(Deficit) on ordinary activities before taxation		(461,042)	(93,468)
Taxation on surplus on ordinary Activities	5	<u>-</u>	<u>-</u>
(Deficit) for the year	7	<u>(461,042)</u>	<u>(93,468)</u>

The results for 2010 and 2011 relate wholly to continuing activities.

There are no other gains or losses in 2010 or 2011 other than the deficit above.

LINTHOUSE HOUSING ASSOCIATION LIMITED

BALANCE SHEET

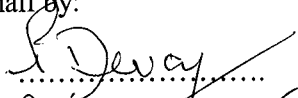
AS AT 31 MARCH 2011

	Notes	2011 £	2010 £
Tangible Fixed Assets			
Housing properties-depreciated cost	8	36,641,864	35,301,715
Less: HAG and other grants	8	(31,656,567)	(31,142,140)
		4,985,297	4,159,575
 Other Fixed Assets	 9	 602,930	 610,872
Investments	10	5,978	6,533
		5,594,205	4,776,980
 Current Assets			
Stock	11	-	195,617
Debtors	12	175,012	240,126
Cash at bank and in hand		3,517,168	4,280,845
		3,692,180	4,716,588
 Creditors: amounts falling due within one year	 13	 (1,398,219)	 (1,022,691)
 Net current assets		 2,293,962	 3,693,897
 Total assets less current liabilities		 7,888,167	 8,470,877
 Creditors: amounts falling due after more than one year	 14	 (1,475,932)	 (1,597,603)
 Net Assets		 6,412,235	 6,873,274
 Capital & Reserves			
Share capital	15	354	351
Designated Reserves	6	2,282,197	3,419,633
Revenue reserves	7	4,129,684	3,453,290
		6,412,235	6,873,274

These financial statements were approved by the Committee of Management and authorised for issue on
 ...29.6.11.....

and signed on their behalf by:

Committee Member:



Committee Member:



Secretary:



LINTHOUSE HOUSING ASSOCIATION LIMITED

CASH FLOW STATEMENT

YEAR TO 31 MARCH 2011

	Notes	2011 £	2010 £
Net cash inflow from operating activities	18	442,889	234,010
Returns on investment and servicing of finance			
Interest received		25,544	74,109
Interest paid		<u>(53,333)</u>	<u>(61,091)</u>
Net cash (outflow)/inflow from returns on investments and servicing of finance		<u>(27,789)</u>	<u>13,018</u>
Investing activities			
Cash paid for construction and purchase of housing		(1,597,495)	(1,257,177)
Proceeds of disposals		20,309	2,050
HAG repayments		(20,309)	-
Housing association grant received		555,946	1,159,406
Purchase of other fixed assets		<u>(24,353)</u>	<u>(18,724)</u>
Net cash (outflow) from investing activities		<u>(1,065,902)</u>	<u>(114,445)</u>
Net cash (outflow)/inflow before financing		(650,802)	132,583
Financing			
Loan principal repayments		(112,878)	(107,618)
Shares issued		3	10
Net cash (outflow) from financing		<u>(112,875)</u>	<u>(107,608)</u>
(Decrease)/Increase in cash and cash equivalents		<u>(763,677)</u>	<u>24,975</u>

Further information is given in note 18

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

1. Accounting Policies

Introduction and accounting basis

The principal accounting policies of the Association are set out in the paragraphs (a) to (o) below. The Association is incorporated under the Industrial and Provident Societies Act 1965 and is registered with the Financial Services Authority. The accounts have been prepared under the historical cost convention, and in compliance with The Registered Social Landlords Accounting Requirements (Scotland) Order 2007 and The Statement of Recommended Practice (SORP), "Accounting by Registered Social Landlords" and relevant accounting standards.

(a) Turnover

Turnover relates to the income from the letting of properties at affordable rents, and the supply of factoring services, together with revenue grants from a grant awarding body, local authorities and other organisations.

(b) Finance

The financial statements have been prepared on the basis that the capital expenditure referred to in note 8 will be grant aided, funded by loans or met out of reserves, or from proceeds of sales.

(c) Mortgages

Mortgage loans are advanced by private lenders under the terms of the individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments, which have been given approval for Housing Association Grant by the grant awarding body.

(d) Housing Association Grants

Housing Association Grants (HAG) are made by the grant awarding body and are utilised to reduce the amount of mortgage loan in respect of an approved scheme to the amount which it is estimated can be serviced by the net annual income of the scheme. The amount of HAG is calculated on the qualifying cost (note 1(f)) of the scheme in accordance with instructions issued from time to time by the grant awarding body. HAG and other grants are repayable under certain circumstances. These include the disposal of the properties to which the grants relate.

(e) Housing Association Grant - Acquisition and Development Allowances receivable

Acquisition and Development Allowances are determined by the grant awarding body and are advanced as grants. They are intended to finance certain internal administrative costs relating to the acquisition and development of housing land and buildings for approved schemes. Development Allowances become available in instalments according to the progress of work on the scheme. These Allowances are credited to development costs when they are receivable.

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

(f) **Fixed assets - Housing land and buildings** (note 8)

Properties included in housing properties are stated at cost. The cost of such properties includes the following:

- (i) cost of acquiring land and buildings
- (ii) development expenditure including applicable overheads
- (iii) interest charged on the loans raised to finance the scheme

These costs are either termed "qualifying costs" by Glasgow City Council for approved HAG schemes and are considered for mortgage loans by the relevant lending authorities or they are met out of the Association's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value before retentions are included in the financial statements for the year, provided that the dates of issue or valuations are prior to the year end.

Development costs are capitalised to the extent that they are attributable to specific schemes and where such costs are not felt to be excessive.

If expenditure does not qualify for HAG, it is nevertheless capitalised.

Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the scheme will not be developed to completion.

Interest on the loan financing the development is capitalised up to the relevant date of completion.

(g) **Depreciation**

(i) **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 annual rates between 1.67% to 3.33%.

No depreciation is charged on the cost of land.

(ii) **Other fixed assets**

The Association's assets are written off evenly over their expected useful lives as follows:

Commercial & Office Premises	-	3.3% to 6.6%
Fixtures & Fittings	-	10% to 25%
Vehicles	-	25%
Office alteration	-	25%

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

A full year's depreciation is charged on these assets in the year of purchase, but no charge is made in the year of disposal.

(h) Sale of housing properties

Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale. Any grants received that cannot be repaid from the proceeds of sale are abated and the grants removed from the financial statements.

First tranche Shared Ownership disposals are credited to turnover on completion, the cost of construction of these sales is taken to operating costs. Disposals of subsequent tranches are treated as fixed asset disposals with the gain or loss on disposal taken to the income and expenditure account, in accordance with the SORP.

Disposals under shared equity schemes are accounted for in the income and expenditure account. The remaining equity in properties sold before 1 April 2008 is treated as a fixed asset investment, which is matched with the grant received. For properties sold after 1 April 2008 the standard security over the remaining equity lies with the Scottish Government and is therefore not reflected in the Association's balance sheet.

(i) Impairment of fixed assets

Reviews for impairment of housing properties are carried out on an annual basis and any impairment in an income-generating unit is recognised by a charge to the income and expenditure account. Impairment is recognised where the carrying value of an income-generating unit exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows from these units.

Impairment of assets would be recognised in the income and expenditure account.

(j) Reserves

Designated reserve - Reserves for future cyclical repairs and maintenance (note 6)

Accrued cyclical maintenance, being the Association's commitment to maintain its properties in accordance with planned programme of works, is set aside in a designated reserve, to the extent that it will not be met from revenue in the year in which it is incurred.

Designated reserve - Major repairs sinking fund (note 6)

Accrued major repair expenditure, being the Association's commitment to undertake major repairs to its properties, is set aside in a designated reserve to the extent that it is not met from HAG.

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(k) **Apportionment of management expenses**

Direct employee administration and operating costs have been apportioned to the income and expenditure account on the basis of costs of the staff to the extent that they are directly engaged in each of the operations dealt with in those accounts.

(l) **Lease obligations**

Rentals paid under operating leases are charged to the income and expenditure account on the accruals basis.

(m) **Investments (note 10)**

Investments in shares are stated at market value.

(n) **Pensions**

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

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

(o) **Consolidation**

The Association and its subsidiary undertaking comprise a group. The Financial Services Authority has granted exemption from preparing group financial statements. The accounts therefore represent the results of the Association and not of the group.

(p) **Stocks and work in progress**

Completed properties and property under construction for outright sale are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sale price after allowing for all further costs of completion and disposal.”

(q) **Service charges recoverable**

Service charges represent income recoverable from tenants for factoring of the properties managed by the Association.

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

2. Particulars of turnover, operating costs and operating surplus or deficit

	Turnover	Operating	Operating	Operating
	£	Costs	(Deficit)	(Deficit)
		£	£	2010
				£
Social lettings	3,553,257	3,973,413	(420,156)	(27,900)
Other activities	2,083,114	2,096,212	(13,097)	(80,636)
Total	<u>5,636,371</u>	<u>6,069,624</u>	<u>(433,253)</u>	<u>(108,536)</u>
2010	<u>3,369,658</u>	<u>3,478,194</u>	<u>(108,536)</u>	

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

3. Particulars of turnover, operating costs and operating surplus or deficit from social letting activities

	General Housing £	Needs Shared Ownership £	Supported Housing £	2011 Total £	2010 Total £
Rent receivable net of identifiable service charges	2,617,254	76,456	264,238	2,957,948	2,935,328
Service charges	36,022	1,914	106,324	144,260	142,574
Gross income from rents and service charges	2,653,276	78,370	370,562	3,102,208	3,077,902
Less: Rent loss from voids	(19,673)	-	(9,275)	(28,948)	(11,703)
Net income from rents and service charges	2,633,603	78,370	361,287	3,073,259	3,066,199
Grants from Scottish Ministers	-	-	-	-	-
Grants from Glasgow CC	479,998	-	-	479,998	26,972
Total turnover from social letting activities	3,113,600	78,370	361,287	3,553,257	3,093,171
Management and maintenance administration costs	971,277	3,977	3,416	978,670	815,449
Service costs	-	-	160,138	160,138	196,068
Planned and cyclical maintenance including major repairs costs	1,705,020	6,236	33,519	1,744,775	1,146,556
Reactive maintenance costs	802,634	9,688	4,421	816,743	738,151
Bad debts – rents and service charges	56,982	-	279	57,261	67,440
Depreciation of social housing	188,590	8,697	18,540	215,827	157,407
Total Expenditure on Lettings	3,724,502	28,598	220,313	3,973,413	3,121,071
Operating Surplus/(Deficit) on Letting Activities	(610,902)	49,772	140,974	(420,156)	(27,900)
2010	(187,202)	50,311	108,991	(27,900)	

The amount of service charges receivable on housing accommodation not eligible for Housing Benefit was £32,680 (2010 - £32,680).

The total amount of major repairs expenditure incurred in the year was £ 1,372,525 (2010 - £896,245). No major repairs were capitalised (2010 - £Nil).

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

3b – 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 £	Other operating costs £	Operating surplus or (deficit) £	Operating surplus or (deficit) for previous period of account £
Wider action/wider role	-	-	-	35,345	35,345	-	113,938	(78,593)	(74,912)
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	89,761	89,761	7,312	14,814	67,635	63,051
Development and construction of property activities	-	-	-	-	-	-	-	-	-
Support activities	-	-	80,951	-	80,951	-	110,280	(29,329)	(29,542)
Care activities	-	-	-	-	-	-	-	-	-
Agency/management services for registered social landlords	-	-	-	-	-	-	-	-	-
Other agency/management services	-	-	-	-	-	-	-	-	-
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to non registered social landlords	1,069,671	-	-	775,200	1,844,871	-	1,849,867	(4996)	(41,469)
Other activities	-	-	-	32,186	32,186	-	-	32,186	2,236
Total from other activities	1,069,671	-	80,951	932,493	2,083,114	7,312	2,088,899	(13,097)	(80,636)
2010	-	75,882	80,951	119,654	276,487	11,364	345,759	(80,636)	

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

	2011 £	2010 £
4. Interest payable		
Total Interest incurred	53,333	61,091
Interest capitalised	-	-
Total interest expensed	53,333	61,091

5. Corporate Taxation
Association has charitable status and is not liable for tax on its exempt activities.

	At 31 March 2010 £	To Revenue Reserves £	At 31 March 2011 £
6. Designated Reserves			
Cyclical maintenance reserve	459,681	-	459,681
Major repairs reserve	2,959,952	(1,137,436)	1,822,516
	3,419,633	(1,137,436)	2,282,197

No restrictions are placed upon these reserves, but the committee has designated their use for specific purposes.

	2011 £	2010 £
7. Revenue Reserve		
At 1 April 2010	3,453,290	3,546,758
(Deficit) for year	(461,042)	(93,468)
Transfer from designated reserves (Note 6)	1,137,436	-
At 31 March 2011	4,129,684	3,453,290

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011
(Continued)

8. Tangible Fixed Assets

	Housing Properties Held for Letting	Housing Properties in course of construction	Completed Shared Ownership properties	Total
Cost	£	£	£	£
At 1 April 2010	32,241,339	1,600,583	2,875,064	36,716,986
Additions during year	71,499	1,525,996	-	1,597,495
Disposals in year	(41,519)	-	-	(41,519)
Transfer	3,126,579	(3,126,579)	-	-
At 31 March 2011	<u>35,397,898</u>	<u>-</u>	<u>2,875,064</u>	<u>38,272,962</u>
Housing Association & Other Grants				
At 1 April 2010	26,982,354	1,537,582	2,622,204	31,142,140
Additions during year	-	555,946	-	555,946
Repaid and abated during year	(41,519)	-	-	(41,519)
Transfer	2,093,528	(2,093,528)	-	-
At 31 March 2011	<u>29,034,363</u>	<u>-</u>	<u>2,622,204</u>	<u>31,656,567</u>
Depreciation				
At 1 April 2010	1,334,374	-	80,897	1,415,271
Provided during year	207,130	-	8,697	215,827
Disposals during year	-	-	-	-
Transfer	-	-	-	-
At 31 March 2011	<u>1,541,504</u>	<u>-</u>	<u>89,594</u>	<u>1,631,098</u>
Net Book Value				
At 31 March 2011	<u>4,822,031</u>	<u>-</u>	<u>163,266</u>	<u>4,985,297</u>
At 31 March 2010	<u>3,924,611</u>	<u>63,001</u>	<u>171,963</u>	<u>4,159,575</u>

Development administration costs capitalised amounted to £85,408 (2010: £nil) for which development allowances amounting to £48,860 (2010: £Nil) were recorded in the year. Interest capitalised during the year amounted to £Nil (2010: £Nil).

None of the Association's land or properties was held under a lease.

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

9. Fixed Assets - Other

	Land and commercial properties	Freehold offices	Fixtures and Fittings	Office alterations	Motor Vehicles	Total
Cost	£	£	£	£	£	£
At 1 April 2010	156,977	563,201	760,006	51,256	17,844	1,549,284
Additions	-	-	24,353	-	-	24,353
At 31 March 2011	156,977	563,201	784,359	51,256	17,844	1,573,637
Housing Association & Other Grants						
At 1 April 2010	-	-	70,000	-	-	70,000
Additions	-	-	-	-	-	-
At 31 March 2011	-	-	70,000	-	-	70,000
Depreciation						
At 1 April 2010	91,865	74,507	632,940	51,256	17,844	868,412
Charge for year	1,656	9,387	21,253	-	-	32,296
Disposals	-	-	-	-	-	-
At 31 March 2011	93,521	83,894	654,193	51,256	17,844	900,708
Net Book Value						
At 31 March 2011	63,456	479,307	60,166	-	-	602,929
At 31 March 2010	65,112	488,694	57,066	-	-	610,872

10. Investments

	2011	2010
	£	£
Investment in subsidiary undertaking	1	1
Shares, Standard Life	5,977	6,532
	<u>5,978</u>	<u>6,533</u>
Investment in subsidiary undertaking	<u>1</u>	<u>1</u>

The Association holds a 100% shareholding in Linthouse Urban Village Café Limited, a company incorporated in Scotland. The above investment consists of one £1 ordinary share.

The subsidiary's results for the year and level of reserves was as follows:

Company	Capital and Holding	Turnover	Surplus/(deficit) for period	Capital and reserves
		£	£	£
Linthouse Urban Village Cafe Limited	100%	68,633	(6,397)	(3,113)

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

11. Stock	2011 £	2010 £
Cost of developing properties	-	1,153,969
Grant received to develop properties	-	(958,552)
	-	195,617
	-	195,617
12. Debtors	2011 £	2010 £
Amounts falling due within one year:		
Gross rents in arrears	177,726	177,197
Less bad debt provision	(127,032)	(113,609)
	50,694	63,588
Development funding receivable	38,444	96,982
Other debtors	53,183	63,727
Amounts owed to group undertakings	2,800	-
Prepayments and accrued income	29,892	15,829
	175,012	240,126
	175,012	240,126
13. Creditors due within one year		
Loans	93,659	84,866
Taxation and social security	18,527	40,371
Other creditors	283,485	272,159
Accruals and deferred income	811,128	455,868
Rents in advance	191,420	169,427
	1,398,219	1,022,691
	1,398,219	1,022,691
14. Creditors due after more than one year		
Loans	1,475,932	1,597,603
	1,475,932	1,597,603

Loans are secured by specific charges on the Association's properties. Loans are repayable at rates of interest of 1.25% to 5.09% (2010: 1.25% to 5.09%) in instalments due as follows:

Within one year	93,659	84,866
Between one and two years	97,337	87,848
Between two and five years	255,029	277,090
In five years or more	1,123,566	1,232,665
	1,569,591	1,682,469
	1,569,591	1,682,469

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011
(Continued)

15. Share Capital	2011	2010
	£	£
Shares of £1 full paid and issued at 1 April 2010	351	341
Shares cancelled	-	-
Shares issued during year	3	10
Shares issued at 31 March 2011	<u>354</u>	<u>351</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.

16. Employees	2010	2009
	£	£
Staff costs during year		
Wages and salaries	819,976	871,111
Social Security costs	69,459	68,194
Other pension costs	72,615	75,700
	<u>962,050</u>	<u>1,015,005</u>

	No	No
The average full time equivalent number of persons employed by the Association during the year were as follows:	<u>27</u>	<u>27</u>

The Directors are defined as the members of the Management Committee, the Director and any other person reporting directly to the Directors or the Management Committee whose total emoluments including pension contributions exceed £60,000 per year (2010 - £60,000 per year).

	£	£
Aggregate Emoluments payable to Directors (including pension contributions and benefits in kind)	<u>259,280</u>	<u>135,238</u>
Emoluments payable to Highest Paid Director (excluding pension contributions)	<u>63,353</u>	<u>61,833</u>

The Association's contributions for the Directors in the year amounted to £33,815 (2010: £16,745). The pension contribution for the Executive Director was £9,732 (2010: £9,519).

The emoluments of the directors whose emoluments, excluding pension contributions, were over £60,000 were as follows

	2011	2010
	No	No
£60,001 to £65,000	1	2
£65,001 to £70,000	-	-
£70,000 to £75,000	-	-

The aggregate emoluments include 1 director who is disclosed in the salary bands.

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011
(Continued)

16. Employees (continued)

Linthouse Housing Association Limited participates in the SFHA Pension Scheme (the "Scheme"). The Scheme is funded and is contracted out of the State Pension scheme.

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

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

The last formal valuation of the Scheme was performed at 30 September 2009 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets as at the valuation date was £295 million. The valuation showed a shortfall of assets compared to 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 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%

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

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a 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 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.

Linthouse Housing Association Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the SFHA Scheme based on the financial position of the Scheme as at 30 September 2010. As of this date the estimated employer debt for Linthouse Housing Association Limited was £4,630,079.

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.

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011
(Continued)

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.

Linthouse Housing Association has elected to operate the final salary with a 1/60th accrual rate benefit option for active members as at 1 April 2011 the same benefit structure for any new entrants.

During the accounting period Linthouse Housing Association paid contributions at the rate of 15.4% of pensionable salaries. Member contributions were 7%.

As at the balance sheet date there were 13 active members of the Scheme employed by Linthouse Housing Association. The annual pensionable payroll in respect of these members was £495,522.

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

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

2009 Valuation Assumptions	% 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 post 6 April 2005 (for leavers before 1 October 1993 pension increases are 5.0%)	2.2
Rate of price inflation	3.0

Mortality Tables	
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

Contribution Rates for Future Service (payable from 1 April 2011)	% p.a.
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

(*expressed in nominal pound terms (for each employer) increasing each 1 April in line with the rate of salary increases assumption. Earnings as at 30 September 2009 are used as the reference point for calculation the additional contributions).

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011
(Continued)

	2011	2010
	£	£
17. Auditors' Remuneration		
The remuneration of the auditors (including expenses and including VAT for the year)	10,560	9,700
Remuneration of the auditors in respect of services other than those of external auditors from entities related to Baker Tilly UK Audit LLP	-	-
	10,560	9,700
18. Notes to the Cash Flow Statement		
a. Reconciliation of surplus to net cash inflow from operating activities		
(Deficit) for year	(461,042)	(93,468)
Interest received	(25,544)	(74,109)
Interest payable	53,333	61,091
Depreciation	248,123	194,521
(Gain) on sale of fixed assets	-	(2050)
Decrease/(Increase) in stocks	195,617	(148,979)
Decrease in debtors	65,114	141,287
Increase in creditors	366,733	155,717
	442,334	234,010
	2011	2010
	£	£
18. Notes to the Cash Flow Statement (continued)		
b. Reconciliation of net cash flow to movement in net debt		
Increase in cash for the year	(763,677)	24,975
Loan repayments	112,878	107,618
Change in net debt	(650,799)	132,593
Net cash as at 1 April 2010	2,598,376	2,465,783
Net cash as at 31 March 2011	1,947,577	2,598,376

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011
(Continued)

c. Analysis of Changes in net debt	As at 31 March 2010 £	Cash Flow £	Other changes £	As at 31 March 2011 £
Cash at bank and in hand	4,280,845	(763,677)	-	3,517,169
Bank Overdrafts	-	-	-	-
Debt due within one year	(84,866)	112,878	(93,659)	(93,659)
Debt due after one year	(1,597,603)	-	93,659	(1,475,933)
	<u>2,598,376</u>	<u>(650,799)</u>	<u>-</u>	<u>1,947,577</u>

19 Capital Commitments	2011 £	2010 £
Expenditure authorised by the committee of management contracted less certified	<u>2,072,467</u>	<u>2,015,383</u>

Of the amount contracted for at 31 March 2011 £Nil (2010: £723,571) has received grant approval from Glasgow City Council (DRS). The remaining amount will be funded through the Associations reserves and private finance.

20. Contingent Liabilities

Pensions

Linthouse Housing Association has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2010. As of this date the estimated employer debt for Govan Housing Association was £4,630,079. The Association has no current plans to withdraw from the scheme.

At 31 March 2011 the Association had no other contingent liabilities (2010 -£Nil).

21. Housing Stock

The number of units in Management as at 31 March 2011 was as follows:

	2011 No.	2010 No.
General Needs Housing	1,061	1,047
Supported Housing Accommodation	75	75
Shared Ownership Accommodation	49	49
	<u>1,185</u>	<u>1,171</u>

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

22. Related parties

The Association has taken advantage of the exemption in Financial Reporting Standard 8 from the requirement to disclose transaction with group companies.

Committee members

Various members of the Committee and their relatives are tenants of the Association. All of the transactions between them and the Association have been carried out on the terms applicable to all tenants.

Councillors

Stephen Dornan is a councillor with Glasgow City Council. Any transactions with the Glasgow City Council are made at arm's length, on normal commercial terms and councillor Stephen Dornan cannot use his to position to his advantage.

23. Group Structure

The Association is a registered housing association, registered in Scotland and forms part of a group, the other member of which is Linthouse Urban Village Café Limited, whose main activity is to provide hot and cold food and beverages.

Linthouse Housing Association Limited is considered to be the ultimate parent undertaking of the group. Separate group accounts are not required as the Registrar of Friendly Societies has exempted the group from this requirement.