

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

Registered Housing Association No. HCB166

Financial Services Authority No. 2171R(S)

Scottish Charity No SC 035589

BAKER TILLY UK AUDIT LLP
Chartered Accountants

Glasgow

PAISLEY SOUTH 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 2171R(S)
Scottish Housing Regulator	Housing (Scotland) Act 2001 Registered Number HCB166
Scottish Charities	Charities and Trustee Investment (Scotland) Act 2005 Scottish Charity Number SC 035589

PAISLEY SOUTH 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 the Association is the provision of housing for let at rents affordable to the client groups for whom it intends to provide.

Business review

Paisley South made a surplus of £577,299 during the year (2010 surplus £233,581). The surplus was made by Paisley South after investment in major repairs in the year amounting to £439,193. This compares with £1,097,512 for similar expenditure in the previous year. £127,407 of this expenditure incurred during the year was grant funded. Major repairs expenditure is written off in the year it is incurred and not capitalised.

Despite this expenditure the Association is in a satisfactory financial position with £1,564,957 deposited as cash funds. We have designated substantial funds over the next four years to meet our commitments under the Scottish Housing Quality Standards. Cash surpluses will continue to be made, but will be required to meet our planned major repair programme over the next few years.

The Association hopes to achieve on-going efficiencies through joint EU Procurement with FLAIR of maintenance related contracts.

Surplus for the year and transfers

The results for the year are shown in the Income and Expenditure Account on page 12.

Transfers to designated reserves:

	£
Major repairs reserve	344,668
Westerfield House repairs reserve	4,098
Westerfield House void reserve	8,667
31 Argyle Street repairs reserve	1,716
Transfer to revenue reserve	218,150
	<u>577,299</u>

PAISLEY SOUTH 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:

James Weir (Chairperson)	Janette Davies (Vice Chairperson)
Eileen Graham (Secretary)	Hendricus Van Der Aar
Sandra Loney	Annie Patrick
John Sweeney	Councillor Eddie Devine
Moira Lawrence (Resigned April 2010)	Councillor Mairi McGurk
Allan McCulloch	Karen McMillan
Fred Dapaah (Resigned January 2011)	Moira Van Der Aar
Suzanne Dock (Resigned April 2011)	Jim Grant
David Patterson	

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

Executive Officers

The Executive Officers of Paisley South during the year to 31 March 2011 were as follows:

Kathleen McCutcheon	Director
Elaine Thomson	Depute Director/Technical Manager
Lorna Colville	Finance Manager
Lorna Gilroy	Housing Services Manager

Operational Review

1 Corporate Governance

Paisley South has a Committee of Management who are elected by the members of the Association. (See below for details). 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 Executive Team of Paisley South (as listed above) are responsible for achieving the strategy set, and 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. Committee of Management members 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 Paisley South.

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2011

(Continued)

2 Corporate Issues

Tenant involvement and participation is a major part of Paisley South's Aims and Objectives, and we continue to review how Paisley South involves tenants in its activities.

Best use of resources

We have continued with a programme of major investment in our housing stock, which is by far our most costly asset. We are continually updating our stock condition information, to ensure that our long-term financial planning reflects our future investment requirements. We also look for efficiencies and economies in the way that we carry out business processes.

Services

We aim to deliver high quality services and continue to review our front line service to customers to further improve this service. In our housing stock, we moved ahead with some major repairs that had become necessary and continued to deliver many completed adaptations to existing properties, to meet the specific needs of our tenants.

3 Development Issues

We have spent £2.86m (2010 - £2.38m) during the year just completed, of which £1.84m (2010 - £2.27m) was funded by grants.

4 Housing Issues

Paisley South has been working on ways of reducing the period of time taken to re-let or let new properties, to ensure that we maximise our effectiveness in housing people in need and reduce our costs. The rent loss due to empty properties was £28,630 (2010 - £23,715). This was mainly due to the works required to make the void properties ready to let.

We have also continued to invest in additional resources to assist us to reduce the level of rent arrears through working with tenants earlier in the process to minimise the level of arrears and debts written off while assisting tenants to maintain their tenancies.

5 Other Areas

Risk Management Policy

The Committee have a formal risk management process in place to assess business risks and implement risk management strategies. This involves 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 continue to review the adequacy of the Association's current internal controls.

The Risk Management Policy and associated documents aim to cover the following:

- consideration of the type of risks the Association faces.
- the level of risks which they regard as acceptable.
- the likelihood of the risks concerned materialising.

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2011

(Continued)

- the Association's ability to reduce the incidence and impact on the business of risks that do materialise; and ensuring the costs of operating particular controls are relative to the benefit obtained.
- the responsibility of management to implement the Committee's policies and to identify and evaluate risks for their consideration.
- communicating that employees have responsibility for internal control as part of their accountability for achieving objectives.
- embedding the control system in the Association's operations so that it becomes part of the culture of the Association.
- developing systems to respond quickly to evolving risks arising from factors within the Association to changes in the external environment.
- including procedures for reporting failings immediately to appropriate levels of management and the Committee together with details of corrective action being undertaken.

Employee Involvement and Health & Safety

The Association encourages employee involvement in all major initiatives.

Treasury Management

The Association has an active treasury management function, which operates in accordance with the Treasury Management Policy approved by the Committee of Management. In this way the Association manages its 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.

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

Maintenance policies

The Association seeks to maintain its properties to the highest standard. To this end, programmes of cyclical repairs are carried out to deal with the gradual and predictable deterioration of building components. It is expected that the cost of all these repairs would be charged to the Income and Expenditure account.

In addition the Association has a long-term programme of planned repairs to cover for works which have become necessary since the original development was completed, including works required by subsequent legislative changes. This includes replacement or repairs to features of the properties, which have come to the end of their economic lives. The cost 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 SORP 2008.

Internal Financial Control

The Committee of Management is responsible for establishing and maintaining the Association's system of internal control. Internal control systems are designed to meet the particular needs of the Association and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The key procedures, which the Committee of Management has established with a view to providing effective internal financial control, are outlined on pages 8 and 9.

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2011

(Continued)

Management Structure

The Committee of Management has overall responsibility for the Association and within the various policies and procedures certain matters are specifically reserved for decision by the Committee.

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 Director.

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 variances from the budget, updated forecasts for the year together with information on the key risk variances. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure and treasury management.

Reserves Policy

As part of the medium term budget process the Committee members have reviewed the reserves of Paisley South. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of known future commitments. The Committee of Management are satisfied that the Association has a sufficient level of reserves to meet future commitments. During the year the Association's general reserve increased from £641k to £859k (see note 8).

The Association has three designated funds. The purpose of these funds is detailed in note 1(i) to the financial statements.

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. We sold one property under right to buy during the year thereby allowing a tenant to achieve their aspiration of becoming a homeowner.

Investment Appraisal

Capital expenditure is regulated by budgetary process and authorisation levels. For expenditure beyond specified levels, detailed written proposals have to be submitted to the Committee. Reviews are carried out during the development period, to monitor expenditure and performance.

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2011
(Continued)

Rental income

The Association's Rent Policy was reviewed in March 2010. The policy ensures that the rent structure is easy to administer and covers the wide variations within the Association's properties. Rents are reviewed annually to ensure that the rental income covers the required costs. This policy follows the generally accepted practice/principles of the Housing Movement.

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 is made to retrain them in order that their employment with the Association may continue.

Future Developments

Subject to availability of funding the Association is committed to an on-going programme of new developments in particular tenemental rehabilitation.

Going Concern

The Committee of Management has reviewed the results for this year and has also reviewed the projections for the next five years. It, therefore, has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in these financial statements.

Information for auditors

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 any such information.

Auditors

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

On behalf of the Committee of Management


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Secretary

Address: - 64 Espedair Street
Paisley
PA2 6RW

Date: 1/9/2011.....

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

STATEMENT OF COMMITTEE RESPONSIBILITIES

YEAR ENDED 31 MARCH 2011

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

Under the legislation relating to Industrial and Provident Societies the Committee of Management 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 of that period. In preparing those financial statements the Committee of Management are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the RSL SORP;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Committee of Management is also responsible for:

- keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the RSL and 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) 2007;
- safeguarding the Association's assets; and
- taking reasonable steps for the prevention and detection of fraud.

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

COMMITTEE OF MANAGEMENT'S STATEMENT ON INTERNAL FINANCIAL CONTROL

YEAR ENDED 31 MARCH 2011

The Committee of Management 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 Committee of Management'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 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; annual appraisal procedures have been established to maintain standards of performance.
- forecasts and budgets are prepared regularly which allow the Committee of Management and staff to monitor the key business risks and financial objectives, and progress towards 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 variances from budgets are investigated as appropriate.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures.
- the Committee of Management review reports from the director, staff and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association. There was no formal review by the internal auditor undertaken during 2010/11, although other reports were presented to Committee.
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

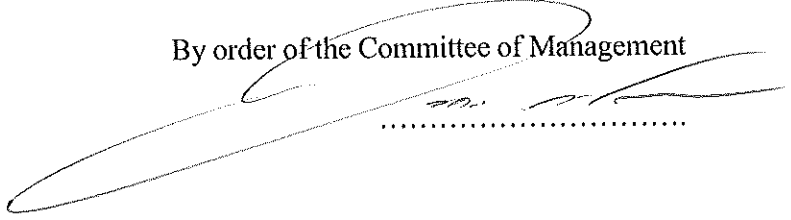
PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

COMMITTEE OF MANAGEMENT'S STATEMENT ON INTERNAL FINANCIAL CONTROL

**YEAR ENDED 31 MARCH 2011
(Continued)**

The Committee of Management have reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2011 and until the below date. No weaknesses were found in internal financial controls which resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the auditors' report on the financial statements.

By order of the Committee of Management



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Date: 7/9/11

PAISLEY SOUTH 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 8 and 9 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 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 pages 8 and 9 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
Registered Auditors
Chartered Accountants
274 Sauchiehall St
Glasgow
G2 3EH

Date: *13th September 2011*

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Paisley South Housing Association for the year ended 31 March 2011 on pages 12 to 31. 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 7, 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 Auditors
Chartered Accountants
274 Sauchiehall St
Glasgow
G2 3EH

Date: *13th September 2011*

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 £	2010 £
Turnover	2	3,951,083	3,867,768
Less: Operating costs	2	<u>(2,920,992)</u>	<u>(3,267,158)</u>
Operating surplus	2	1,030,091	600,610
(Loss)/Profit on disposal of fixed assets	4	(87,956)	20,026
Interest receivable		1,189	875
Interest payable and other charges	5	(374,881)	(395,361)
Other Income	6	<u>8,856</u>	<u>7,431</u>
Surplus on ordinary activities before tax		577,299	233,581
Taxation on surplus on ordinary activities	7	<u>-</u>	<u>-</u>
Surplus for year		<u>577,299</u>	<u>233,581</u>

The results for the year relate wholly to continuing activities.

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

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

BALANCE SHEET

AS AT 31 MARCH 2011

	Notes	2011	2010
		£	£
Tangible Fixed Assets			
Housing properties			
-gross cost less depreciation	9	61,487,629	58,999,235
Less: HAG	9	<u>(49,157,310)</u>	<u>(47,343,662)</u>
		12,330,319	11,655,573
Other Assets	9	<u>185,640</u>	<u>184,900</u>
		12,515,959	11,840,473
Investments	20	<u>2</u>	<u>2</u>
		<u>12,515,961</u>	<u>11,840,475</u>
Current Assets			
Debtors	10	848,955	1,490,871
Cash at hand and in bank		<u>1,564,957</u>	<u>895,115</u>
		2,413,912	2,385,986
Current Liabilities			
Creditors due within one year	11	<u>(2,606,253)</u>	<u>(1,875,112)</u>
Net current (liabilities)/assets		<u>(192,341)</u>	<u>510,874</u>
		12,323,620	12,351,349
Creditors due after more than one year	12	<u>(7,703,889)</u>	<u>(8,308,924)</u>
		<u>4,619,731</u>	<u>4,042,425</u>
Capital and Reserves			
Share capital	16	181	174
Designated reserves	8a	3,760,066	3,400,917
Revenue reserves	8b	<u>859,484</u>	<u>641,334</u>
		<u>4,619,731</u>	<u>4,042,425</u>

These financial statements were approved by the Committee of Management and authorised for issue on 29.3.11 and signed on their behalf by:

Secretary *E. Graham*

Member *[Signature]*

Member *[Signature]*

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

CASH FLOW STATEMENT

YEAR TO 31 MARCH 2011

	Notes	2011	2010
		£	£
Net cash inflow from operating activities	15a	1,945,655	<u>566,948</u>
Returns on investments and servicing of finance			
Interest received		1,189	875
Interest paid		<u>(374,881)</u>	<u>(395,361)</u>
		<u>(373,692)</u>	<u>(394,486)</u>
Taxation			
Corporation tax paid		-	-
Net cash (outflow)/inflow on taxation		-	-
Investing activities			
Cash paid for construction and purchases		(2,675,089)	(2,331,995)
Housing association grant received		1,813,648	1,757,492
Sales of housing properties		(87,956)	24,537
Grants repaid		-	-
Purchase of other fixed assets		<u>(29,107)</u>	<u>(7,087)</u>
Net cash (outflow) from investing activities		<u>(978,504)</u>	<u>(557,053)</u>
Net cash inflow/(outflow) before financing		593,459	(384,591)
Financing			
Increase/(Decrease) in overdrafts		568,368	(861,136)
Loan received		-	1,234,902
Loan principal repayments		(491,997)	(608,710)
Increase in share capital		<u>12</u>	<u>9</u>
Net cash inflow/(outflow) from financing		<u>76,383</u>	<u>(234,935)</u>
Increase/(Decrease) in cash and cash equivalents		<u>669,842</u>	<u>(619,526)</u>

Further details are given in note 15

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

1. Accounting Policies

(a) Introduction and accounting basis

The principal accounting policies of the Association are set out in the paragraphs 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 2008), "Accounting by Registered Social Landlords" and applicable Accounting Standards.

(b) Changes to Accounting Policy

Where a new policy is thought to be more appropriate this amendment will be made and noted below with any prior period adjustment also being made, where it has a material and fundamental impact.

(c) Finance

The financial statements have been prepared on the basis that the capital expenditure referred to in note 9 will be grant aided, funded by loans or met out of reserves, or from proceeds of sales.

(d) 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.

(e) Housing Association Grants

Housing Association Grants (HAG) 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. HAG and other grants are repayable under certain circumstances. These include the disposal of the properties to which the grants relate.

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

Acquisition and Development Allowances 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.

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

(g) **Fixed assets - Housing land and buildings (note 9)**

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 termed "qualifying costs" for approved HAG schemes or 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 are included in the financial statements for the year, provided that the dates of issue or valuations are prior to the year end.

Per SORP 2008, and following the employment of development staff during 2008/2009, development staff costs are now capitalised to the extent that they are directly attributable to specific schemes, where such costs are not felt to be excessive. This includes only actual development staff costs and not any reapportionment of other staff costs or any general overheads, which are written off through the Income and Expenditure account.

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 scheme completion.

(h) **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 an annual rate of 2%. No depreciation is charged on the cost of land.

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

(ii) **Other fixed assets**

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

Office premises	-	4% straight line
Furniture & equipment	-	20% reducing balance

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.

(i) **Designated reserves - reserves for planned maintenance (note 8)**

Future planned maintenance expenditure, being the Association's commitment to undertake planned repairs to its properties, is set-aside in a designated reserve to the extent that it is not met from HAG. This includes a designation for Westerfield House for the replacement of additional items charged as a service charge over and above normal planned repairs and a designation for the return of an office, to flat at 31 Argyle Street after tenancy lease ends.

(j) **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.

(k) **Lease obligations**

Rentals paid under operating leases are charged to the Income and Expenditure account on the accruals basis.

(l) **Pension Fund**

The Association participates in the centralised Defined Benefit Scottish Housing Associations' Pension Scheme (SHAPS) 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.

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

(m) 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, including first tranche sales as per SORP 2008. Any grants received that cannot be repaid from the proceeds of sale are abated and the grants removed from the financial statements.

(n) Turnover

Turnover represents rental income receivable from tenants, development administration and other income. It also includes sales of any first tranche shared ownership and the sale of shared equity properties if applicable. Paisley South Housing Association has had no such sales during this financial year.

(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 represent the results of the Association and not of the group.

(p) Improvements

Improvements are capitalised where these result in an enhancement of the economic benefits of the property. Such enhancement can occur if the improvements result in: -

- an increase in rental income, or
- a material reduction in future maintenance costs, or
- a significant extension to the life of the property.

Works to existing properties, which fail to meet the above criteria, are charged to the Income and Expenditure account.

(q) 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.

PAISLEY SOUTH 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 from social letting activities

	Turnover	Operating	Operating	2010
	£	Costs	Surplus/ (Deficit)	Total
	£	£	£	£
Income and expenditure from letting – note 3a	3,914,016	2,803,781	1,110,235	631,677
Other income and expenditure – note 3b	37,067	117,211	(80,144)	(31,067)
	<u>3,951,083</u>	<u>2,920,992</u>	<u>1,030,091</u>	<u>600,610</u>
2010	<u>3,867,768</u>	<u>3,267,158</u>	<u>600,610</u>	

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

3a. Particulars of Income and Expenditure from Lettings

	General Needs Housing £	Shared Ownership £	2011 Total £	2010 Total £
Income from lettings				
Rent receivable net of Identifiable Service Charges	3,710,315	4,654	3,714,969	3,598,828
Service charges receivable	100,270	-	100,270	74,607
Gross Rents Receivable	3,810,585	4,654	3,815,239	3,673,435
Less: Rent Losses from Voids	(28,630)	-	(28,630)	(23,715)
Net Rents Receivable	3,781,955	4,654	3,786,609	3,649,720
Revenue Grants from Scottish Ministers	127,407	-	127,407	102,374
Total Income from Lettings	3,909,362	4,654	3,914,016	3,752,094
Expenditure on Letting Activities				
Services	64,685	-	64,685	69,779
Management and maintenance administration costs	1,129,343	3,465	1,132,808	1,059,676
Reactive Maintenance Costs	552,439	-	552,439	511,186
Planned and Cyclical Maintenance	779,369	-	779,369	1,194,620
Rent losses from bad debts	47,936	-	47,936	54,635
Depreciation	226,192	352	226,544	230,521
Total Expenditure on Lettings	2,799,964	3,817	2,803,781	3,120,417
Operating Surplus on Letting Activities	1,109,398	837	1,110,235	631,677
2010	631,017	660	631,677	

The amount of service charges receivable on housing accommodation not eligible for Housing Benefit was £44,154 (2010 - £39,854). A separate charge is made for service charges.

The total amount of major repairs expenditure incurred in the year was £439,193 (2010 - £1,097,512). No major repairs were capitalised (2010 - £nil).

There is no other accommodation except for General Needs and Shared Ownership.

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011
(Continued)

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)	2010
	£	£	£	£	£	£	£	£	£
Wider action/wider role	37,067	-	-	-	37,067	-	96,028	(58,961)	(45,190)
Care and repair	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-	-
Development activities	-	-	-	-	-	-	21,183	(21,183)	14,123
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Agency/management services for registered social landlords	-	-	-	-	-	-	-	-	-
Other agency/management services	-	-	-	-	-	-	-	-	-
Developments and improvements for sale, (including first tranche shared ownership sales) to non registered social landlords	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	-	-	-	-	-	-
Total from other activities	37,067				37,067		117,211	(80,144)	(31,067)
2010	75,994	39,680			115,674		146,741	(31,067)	

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

	2011 £	2010 £
4. Sales of Housing Properties		
Sale proceeds	59,600	65,378
Cost of sales	<u>(147,556)</u>	<u>(45,352)</u>
(Loss)/Gain on disposal	<u>(87,956)</u>	<u>20,026</u>

The sales of housing properties have occurred under the right to buy legislation and sale of decant properties. Also included within these figures is the write off from the balance sheet of demolished properties.

	2011 £	2010 £
5. Interest Payable and Other Charges		
Total interest payable	392,070	396,745
Less: Interest capitalized	<u>17,189</u>	<u>1,384</u>
Interest payable	<u>374,881</u>	<u>395,361</u>

6. Other Income

Other income of £8,856 consists of £4,040 which is the gifting of 2009/10 profit of subsidiary, Paisley South Property Services, to Paisley South Housing Association and £4,816 which is the provision of Finance Officer Services to Barrhead Housing Association.

7. Taxation

The Association was formally recognised as a recognised Scottish charity on 6th May 2004, and as such is exempt from tax on its charitable activities.

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011
(Continued)

8. Reserves
a) Designated Reserve

	At 31 March 2010	Transfer From/(to) Revenue Reserve	Transfer Between Reserves	At 31 March 2011
	£	£	£	£
Major repairs reserve	3,394,379	344,668	-	3,739,047
Westerfield repairs reserve	6,271	4,098	-	10,369
Westerfield void reserve	-	8,667	-	8,667
31 Argyle Street Reserve	267	1,716	-	1,983
	<u>3,400,917</u>	<u>359,149</u>	<u>-</u>	<u>3,760,066</u>

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

b) Revenue Reserves

	2011 £	2010 £
Opening balance at 1 April 2010	641,334	668,265
Surplus/(Deficit) for year	577,299	233,581
Transfer to designated reserves	<u>(359,149)</u>	<u>(260,512)</u>
	<u>859,484</u>	<u>641,334</u>

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2011
(Continued)**

9. Tangible Fixed Assets	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Completed Shared Ownership Properties £	Total Housing Properties £	Office Premises £	Furniture Fittings & Equipment £	Total £
Cost							
At 1 April 2010	57,115,460	3,611,095	78,140	60,804,695	285,457	291,003	61,381,155
Additions during year	17,167	2,842,787	-	2,859,954	-	29,106	2,889,060
Transfers	-	-	-	-	-	-	-
Disposals in year	(184,865)	-	-	(184,865)	-	-	(184,865)
At 31 March 2011	56,947,762	6,453,882	78,140	63,479,784	285,457	320,109	64,085,350
Housing Association Grant							
At 1 April 2010	43,750,430	3,534,035	59,197	47,343,662	29,314	-	47,372,976
Additions during year	5,322	1,831,990	-	1,837,312	-	-	1,837,312
Repaid and abated during year	(23,664)	-	-	(23,664)	-	-	(23,664)
Transfers	-	-	-	-	-	-	-
At 31 March 2011	43,732,088	5,366,025	59,197	49,157,310	29,314	-	49,186,624
Depreciation							
At 1 April 2010	1,801,764	-	3,696	1,805,460	132,741	229,505	2,167,706
Provided during year	226,192	-	352	226,544	10,245	18,121	254,910
Disposals	(39,849)	-	-	(39,849)	-	-	(39,849)
At 31 March 2011	1,988,107	-	4,048	1,992,155	142,986	247,626	2,382,767
Net book value							
As at 31 March 2011	11,227,567	1,087,857	14,895	12,330,319	113,157	72,483	12,515,959
As at 31 March 2010	11,563,266	77,060	15,247	11,655,573	123,402	61,498	11,840,473

None of the Association's land or properties was held under a lease. Development administration costs capitalised amount to £78,547 (2010 - £58,259) for which £71,880 Housing Association Grant was received (2010 - £16,431).

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

**AS AT 31 MARCH 2011
(Continued)**

	2011	2010
	£	£
10. Debtors		
Amounts falling due within one year:		
Gross rent in arrears	230,092	266,255
Less bad debt provision	<u>(95,723)</u>	<u>(146,566)</u>
	134,369	119,689
Prepayments and accrued income	24,601	20,641
Balance due from group company	78,404	85,455
Other debtors	<u>611,581</u>	<u>1,265,086</u>
	<u>848,955</u>	<u>1,490,871</u>
	2011	2010
	£	£
11. Creditors due within one year		
Loans (Note 12)	530,369	417,331
Development loan (Note 12)	822,525	254,157
Trade creditors	627,214	478,870
PAYE and social security	15,467	16,589
Rent prepaid	220,396	193,143
Other creditors	191,090	322,004
Accruals and deferred income	<u>199,192</u>	<u>193,018</u>
	<u>2,606,253</u>	<u>1,875,112</u>
	2011	2010
	£	£
12. Creditors due after more than one year		
Loans	<u>7,703,889</u>	<u>8,308,924</u>
Loans are secured by specific charges on the Association's properties and loans are repayable at current rates of interest ranging from 0.75% to 13% (2010 – 0.75% to 13%), due as follows:		
In one year or less (Note 11)	1,352,894	671,488
Between two and five years	1,190,447	957,706
In five years or more	<u>6,513,442</u>	<u>7,351,218</u>
	<u>9,056,783</u>	<u>8,980,412</u>

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

**AS AT 31 MARCH 2011
(Continued)**

	2011 £	2010 £
13. Employees		
Staff costs during year		
Wages and salaries	716,931	669,160
Social security costs	56,053	52,461
Pension costs	87,051	88,249
	860,035	809,870

The number of persons employed by the Association during the year were as follows:

	Number	Number
Full time equivalent	22	22

During the current year, there were no directors' emoluments, excluding pension contributions, over £60,000.

	£	£
Total expenses reimbursed insofar as not chargeable to UK income Tax		
- Committee of Management	1,105	1,159

No member of the Committee of Management received any emoluments in respect of their services to the Association.

	2011 £	2010 £
14. Auditors' Remuneration		
The remuneration of the auditors (including expenses)	7,785	7,506
Remuneration of the auditors in respect of services		
Other than those of Baker Tilly UK Audit LLP	-	-
	7,785	7,506

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

	2011 £	2010 £		
15. Notes to the Cash Flow Statement				
(a) Reconciliation of surplus to net cash inflow from operating activities				
Surplus for year	577,299	233,581		
Net interest payable	373,692	394,486		
Loss/(Gain) on Disposal of Fixed Assets	87,956	(20,026)		
	1,038,947	608,041		
Operating surplus for the year excluding interest and tax payable	1,038,947	608,041		
Depreciation	215,061	246,951		
Cancelled shares	(5)	(20)		
Decrease/(increase) in debtors	641,917	(205,027)		
Increase/(decrease) in creditors	49,735	(82,997)		
	1,945,655	566,948		
(b) Reconciliation of net cash flow to movement in net debt				
Increase/(Decrease) in cash for the year	669,842	(619,526)		
(Increase)/Decrease in overdraft	(568,368)	861,136		
Loans received	-	(1,234,902)		
Loan repayments	491,997	608,710		
	593,471	(384,582)		
Change in net debt	(8,085,297)	(7,700,715)		
Net debt as at 1 April 2010	(7,491,826)	(8,085,297)		
Net debt as at 31 March 2011				
(c) Analysis of Changes in net debt				
	At 31 March 2010	Cash Flow	Other Changes	At 31 March 2011
	£	£	£	£
Cash at bank and in hand	895,115	669,842	-	1,564,957
Overdraft	(254,157)	(568,368)	-	(822,525)
Debt due within one year	(417,331)	(113,038)	-	(530,369)
Debt due after one year	(8,308,924)	605,035	-	(7,703,889)
	(8,085,297)	593,471	-	(7,491,826)

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

	2011	2010
	£	£
16. Share Capital		
Shares of £1 fully paid and issued at 1 April 2010	174	185
Shares issued during year	12	9
Shares written off in year	<u>(5)</u>	<u>(20)</u>
Shares issued at 31 March 2011	<u>181</u>	<u>174</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.

	2011	2010
	£000's	£000's
17 Capital Commitments		
Expenditure authorised by the Committee of Management contracted less certified	<u>824,339</u>	<u>4,668,575</u>
To be funded as follows:		
HAG	-	3,045,442
Private Loan	<u>824,339</u>	<u>1,623,133</u>
	<u>824,339</u>	<u>4,668,575</u>

	2011	2010
	No	No
18. Housing Stock		
The number of units in Management at 31 March 2011 was as follows:		
General Need	1,207	1,243
Shared ownership	2	2
Supported Accommodation	-	-
	<u>1,209</u>	<u>1,245</u>

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

19. Pension Commitments

Paisley South Housing Association Limited participates in the SHAPS 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.

Paisley South Housing Association Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the SHAPS Scheme based on the financial position of the Scheme as at 30 September 2010. As of this date the estimated employer debt for Paisley South Housing Association Limited was £2,930,197.

The Scheme offers five benefit structures to employers, namely:

- 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.

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

- 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.

Paisley South Housing Association Limited has elected to operate the final salary with a 1/60th accrual rate.

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

As at the balance sheet date there were 17 active members of the Scheme employed by Paisley South Housing Association Limited. The annual pensionable payroll in respect of these members was £542,558.

Paisley South Housing Association Limited 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

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2011

(Continued)

20. Subsidiary Company

The Association has a subsidiary company Paisley South Property Services Limited. This company is intended to handle the activities that the Association cannot undertake due to its charitable status.

The company is a company limited by shares with two ordinary shares of £1 issued to the Association, and is registered in Scotland. The result for the company for the year was a loss of £3,089 (2010 – loss £3,387), after the gifting of last year's profit to Paisley South Housing Association, and having capital and reserves of £8,208 (2010 - £11,297) at 31 March 2011. A balance of £78,404 (2010 - £85,455) was owed from the subsidiary to the Association at 31 March 2011.

The Financial Services Authority has granted exemption from preparing group financial statements.

21. Related parties

Various members of the Management Committee are tenants of the Association. The transactions with the Association are all done on standard terms, as applicable to all tenants and they cannot use their position to their advantage.

2 members of the Management Committee are Councillors of and representatives of Renfrewshire Council. All transactions with Renfrewshire Council are made at arm's length, on standard terms applicable to all local Housing Associations. Councillors cannot use their position to their advantage.