

PARKHEAD HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

Registered Housing Association No. HCB167

Financial Conduct Authority No. 1911RS

Registered Charity No SC030908

BAKER TILLY UK AUDIT LLP
Chartered Accountants

Glasgow

PARKHEAD HOUSING ASSOCIATION LIMITED

THE BOARD, EXECUTIVES AND ADVISERS

YEAR ENDED 31 MARCH 2013

THE BOARD

Susan McKeown (nee Currie)	Chairperson	Agnes Wood	Secretary
John Ferguson	Vice-Chair	Billy Caldwell	Co-opted
John Brien	Treasurer	Margaret Graham	
Elizabeth Kennedy		Maureen Eden	
Winifred Duthie		Jenny Pearson	Co-opted
Sarah Fitzpatrick		Carol Connelly	
Thomas Brock	Co-opted		

EXECUTIVE OFFICERS

James Strang	Chief Executive
Aileen McGuire	Director of Corporate Services
Graeme Aitken	Director of Housing Services

REGISTERED OFFICE

40 Helenvale Street
Glasgow
G31 4TF

AUDITORS

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

BANKERS

Royal Bank of Scotland
100 West George Street
Glasgow
G2 1PP

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

Registration Particulars:

Financial Conduct Authority

Industrial and Provident Societies Act 1965
Registered Number 1911 R (S)

Scottish Housing Regulator

Housing (Scotland) Act 2010
Registered Number HCB 167

Scottish Charities

Charities and Trustee Investment (Scotland) Act 2005
Scottish Charity Number SC 030908

PARKHEAD HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

Contents	Page
Report of The Board	1 - 6
Statement of Board Responsibilities	7
Board Statement on Internal Financial Controls	8
Auditors' Report	9
Income and Expenditure Account	10
Statement of Recognised Surpluses and Deficits	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Financial Statements	14 - 32

PARKHEAD HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD

AS AT 31 MARCH 2013

The Board present their report and audited financial statements for the year ended 31 March 2013.

Principal activities

The principal activity of Parkhead Housing Association (PHA) is the development, management and maintenance of housing for people in housing need.

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

The table below shows the property we own and manage:

	2013	2012
Managed Property Numbers (7 Special needs)		
Tenanted Property (Inc 2 wardens)	1,449	1,444
Shared Ownership Properties	54	57
Factored properties	342	342
Total	<u>1,845</u>	<u>1,843</u>
Developing Property Numbers		
Tenanted Property on site over 2013	<u>26</u>	<u>54</u>

Our strategic aims

Parkhead Housing Association's Mission Statement outlines overall commitment to the local community and underlines its strategic aims. This statement is as follows:

"We aim to be an excellent Landlord and Factor providing good quality affordable homes within the Parkhead area and its wider community. We promote the involvement of our tenants in our decision making so that we can be sure that our services meet their needs. We work with the community and other partners to help improve Parkhead as a place to live and we seek to play a significant role in the regeneration and physical economic and social life of Parkhead."

The Association has 10 clear and unambiguous aims. These are:

1. Manage build and maintain our housing stock to a high standard – we strive for both quality and value for money on all our services so that rents should be affordable to people on low wages.
2. Continually improve tenant involvement in how we work and perform – we try to ensure tenants' views and priorities are taken into account in our policy reviews and service delivery.
3. Meet the specific housing needs of individuals where we can – as far as our existing stock allows and ensuring unmet needs are addressed, where possible within our new build programme.

PARKHEAD HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD

31 MARCH 2013

(Continued)

4. Ensure we work in partnership with Governments, Community, the City Council, other agencies and voluntary groups to make Parkhead a more attractive place to live and work and to bring up families.
5. Encourage membership of the organisation among residents.
6. Support and develop the Board to ensure the objectives of the organisation are met.
7. Ensure the work of all sections of the organisation is co-ordinated to maximise production of the core business.
8. Support and develop staff to achieve their maximum potential within their jobs.
9. Comply with legislation and best practice in all that we do.
10. Identify, lead and participate in the development of new projects and initiatives to enhance and promote the physical and economical life of the people of Parkhead and its surrounding area.

Review of business and future developments

In financial terms the Association generated a surplus of £1,614,597 (2012: £877,176).

The Association took the strategic decision this year to seek to continue to develop sites for housing as and when the opportunity arises. In line with its previous development plans PHA still hopes to develop Whiterose Phase 2 and has entered into discussions with Glasgow City Council to develop the former Quarrybrae Primary School Site. Detailed plans have been developed but a decision to go ahead with the project is still to be taken. Similarly Whiterose Phase 2 is at an advanced stage of development but the final decision is also yet to be made. Should these projects get the go ahead then it will mean an additional 86 much needed family homes becoming available for the area. A site start for the Parkhead Fire Station site of July/August 2013 has been agreed. Housing Association Grant (HAG) has been approved with the Association funding the balance from its own reserve fund. This will mean an additional 26 units in year 2013/14.

The re-structuring of the organisation undertaken during the last 2 years has fully bedded down with significant headroom being created and a new dynamic being set in place for the business. The Association in the course of the year was awarded Silver for its health at work program and Bronze level for Investors in People. Work will continue to enable the Association to gain gold and silver level respectively. In addition a decision was taken to resource the business to tackle head on the effects of Welfare Reform and Tenancy Support. This will be evaluated over the course of the coming year and a further series of decisions made to reinforce the services currently being developed to further mitigate the worsening effects of Welfare Reforms. The overall effect has been the organisations strong KPI performance being maintained. The operation of the new Support and Supervision process has now led to formal staff appraisal systems being introduced. The modernisation of telephone management and the introduction of electronic document management have been introduced and are operating well within expected parameters.

PARKHEAD HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD

31 MARCH 2013

(Continued)

The Association has undertaken a review into how it should approach the development of Social Enterprises within the area. This year saw the commissioning of a report on the way forward and this will be a key feature of the work of the Association in the coming year. The combined effects of a strong financial and operational performance coupled with the ability to further develop new sites places PHA in a very strong position within the sector.

The Board

The members of the Board during the year to 31 March 2013 were:

Susan McKeown (nee Currie)	Chairperson	Agnes Wood	Secretary
John Ferguson	Vice-Chair	Carol Connelly	
John Brien	Treasurer	Thomas Brock	Co-opted
Elizabeth Kennedy		Billy Caldwell	Co-opted
Winifred Duthie		Jenny Pearson	Co-opted
Sarah Fitzpatrick		Maureen Eden	
Margaret Graham			

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

Executive Officers

James Strang, Chief Executive
Aileen McGuire, Director of Corporate Services
Graeme Aitken, Director of Operations

Operational Review

1. Corporate Governance

The Board of Parkhead Housing Association is totally committed to developing the strongest possible policies and practices in relation to the Governance of the business. This involves regular reviews of what it does and how it does it, to look at good practice elsewhere and to develop homegrown initiatives to maximise transparency and accountability.

The Association has continued to develop its Governance policies and practices. The ongoing Board training plan based on an individual training needs assessment and the Board member profile has encouraged more competition for places for the Board. The fact that there has been an election at the last two AGM's is a good indicator of the impact the Association is having on its shareholder base. The Shareholder survey held last year also highlighted other issues which will encourage even greater involvement with plans to hold an additional shareholder event and the creation of a prospective Board Members Academy.

The use of modern technology in Board communication and development resulted in two occasions where a member participated fully in a meeting while being abroad in Crete and Australia.

PARKHEAD HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD

31 MARCH 2013

(Continued)

The Board agreed to delete the post of Treasurer as a standing officer post and transferred the role of Secretary to the Association's Administration Officer.

The Association's internal auditors were asked in the last year to review the Governance arrangements in relation to the standards expected from the Scottish Housing Regulator (SHR) as well as commenting on the 3 year business plan. The internal auditors reported that the Association had a very high standard for both. The Business Plan is reported on a quarterly basis to the Board with an annual updating review process in place to ensure the plan fully reflects the business needs of the Association.

The establishment of the Audit and Risk Committee as a standing Sub Committee of the Board emphasises the approach the Association takes to Risk Management.

2. Services to tenants

We compare our performance with others and set demanding targets. We delivered to the performance targets set in all areas except re-let management, where issues of house condition and difficult to let stock meant a longer turn around than we would have hoped. We perform in the first or second quartile when we are compared with other Housing Associations in our Peer group using The Scottish Housing Regulator's Performance Statistics, with the exception of void turn round where we are in the third quartile.

3. Wider role

The Association has continued its support of a number of locally based organisations both in the provision of direct grant funding and the provision of services in kind to assist the management of some of these organisations. The Association has reviewed its donations policy and now has a more directed policy on assisting local organisations.

In addition to its standard support to local organisations the Association has widened its role in the Community by endowing an Educational Bursary for local students, the development of an annual art competition, the production of a local talent show, plus annual gala days and football tournaments. The Association was recognized for its role in the community at a recent awards ceremony. The Association will maintain its commitment to these events over the coming years.

4. Other Areas

Risk Management Policy

The Board have, with advice from their auditors, a formal risk management process in place 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 Board have reviewed the adequacy of the Association's current internal controls.

Accordingly they have set policies on internal controls which 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;

PARKHEAD HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD

31 MARCH 2013

(Continued)

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

Related Party Transactions

Ten members of the Board are tenants. Their tenancies are on the Association's normal tenancy terms and they cannot use their positions to their advantage.

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 (2012: thirty days).

Maintenance policies

The Association 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 would be charged to the Income and Expenditure account.

In addition, the Association has a long-term programme of major 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. In line with the SORP 2010, replacements to building components (as identified in note 1) are capitalised in the accounts as they occur. All other repairs are charged to the Income and Expenditure account.

Treasury and Financial Management

The Association has taken steps to improve its internal auditing facility and the Association has introduced a new audit regime to better reflect the risks which could affect the Association in the future.

The Board on a regular basis consider the financial progress of the Association and take the necessary action to deal with adverse variances should they arise.

People policies and Health & Safety

The Association fully recognises that its people are its most important asset. It is they who manage the business. PHA is fully committed to staff development, training and to the maintenance of a good working environment. The attainment of the Silver Health at Work award and the Bronze award under Investors in People underline this commitment. So too was the attainment of a number of staff with additional qualifications to enable them to enhance their role in the business.

The Association currently complies and will always comply with all relevant employment legislation.

PARKHEAD HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD

31 MARCH 2013

(Continued)

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

Budgetary and Planning Process

Each year the Board approves the annual budget and rolling three-year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Board of variances from the budget, updated forecasts for the year together with information progress against the business plan.

Rental income

The Association's Rent Policy 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. The points value is reviewed annually to ensure that the rents cover the required costs. This policy follows the generally accepted practice/principles of the Housing Movement.

Designated Reserves

The Association has designated reserves that are for a specific purpose. The Association currently has the following designated reserves:

- Second Stage Transfer (SST) Reserve
- Cyclical Maintenance Reserve
- Winning Row Life Cycle Reserve (Hostel)
- Void Reserve
- Inventory Reserve

These are explained more fully in accounting policies.

Auditors

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

On behalf of the Board

Agnes Wood

Agnes Wood
Secretary

Date: 21/3/13

PARKHEAD HOUSING ASSOCIATION LIMITED

STATEMENT OF THE BOARD RESPONSIBILITIES

Statute requires the Board to prepare financial statements for each financial year, which give a true and fair view of affairs of the Association and of the surplus or deficit for that period. In preparing those financial statements, the Board are required to fulfil the following obligations:

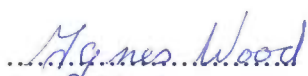
- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial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

The Board confirm that the financial statements comply with the requirements.

The Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Industrial and Provident Societies Act 1965 to 2002, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – April 2012. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as the Board members are aware there is no relevant audit information of which the auditors are unaware and the Board 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.

By order of the Board


Agnes Wood
Secretary

Date: 21/6/13

PARKHEAD HOUSING ASSOCIATION LIMITED

THE BOARD'S STATEMENT ON INTERNAL FINANCIAL CONTROL

31 MARCH 2013

The Board 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 Board'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 Board 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 Board 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.

The Board have reviewed the system of internal financial control in the Association during the year ended 31 March 2013. 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 auditors' report on the financial statements.

By order of the Board


Agnes Wood
Secretary

Date: 21/3/13

PARKHEAD HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

PARKHEAD HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Parkhead Housing Association for the year ended 31 March 2013 on pages 10 to 32. 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 Board and auditor

As explained more fully in the Board's Responsibilities Statement set out on page 7, the Board 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 [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

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 2013 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, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – April 2012.

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

Statutory Auditor

Chartered Accountants

Breckenridge House

274 Sauchiehall Street

Glasgow

G2 3EH

Date: 04/09/13

PARKHEAD HOUSING ASSOCIATION LIMITED

INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 £	2012 £
Turnover	2	5,367,217	5,884,514
Operating costs	2	<u>(3,696,194)</u>	<u>(4,627,597)</u>
Operating surplus	2	1,671,023	1,256,917
(Loss)/Gain on Disposal of Housing Accommodation	6	29,141	(135,806)
Interest receivable		54,357	23,606
Interest payable	7	(143,924)	(149,541)
Other finance costs	22	<u>4,000</u>	<u>(118,000)</u>
Surplus on ordinary activities before tax		1,614,597	877,176
Taxation on deficit on ordinary activities	9	<u>-</u>	<u>-</u>
Surplus for year	10	<u><u>1,614,597</u></u>	<u><u>877,176</u></u>

All amounts relate to continuing activities.

PARKHEAD HOUSING ASSOCIATION LIMITED
STATEMENT OF RECOGNISED SURPLUSES AND DEFICITS
FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 £	2012 £
Surplus for the year		1,614,597	877,176
Actuarial loss on pension scheme	22	<u>(400,000)</u>	<u>(696,000)</u>
Total surplus recognised since the last annual report		<u>1,214,597</u>	<u>181,176</u>

PARKHEAD HOUSING ASSOCIATION LIMITED

BALANCE SHEET

AS AT 31 MARCH 2013

	Notes	£	2013 £	2012 £
Tangible Fixed Assets				
Housing properties				
- gross cost less depreciation	11a		75,571,172	<u>75,439,136</u>
Less: Social Housing Grant	11a	(51,581,007)		(51,647,994)
Other Public Grants	11a	<u>(3,416,939)</u>		<u>(3,416,939)</u>
			(54,997,946)	<u>(55,064,933)</u>
			<u>20,573,226</u>	<u>20,374,203</u>
Other Fixed Assets	11b		1,342,985	1,183,702
Investments	12		100	100
			<u>21,916,311</u>	<u>21,558,005</u>
Current Assets				
Debtors	13	372,605		401,616
Cash at bank in hand		<u>5,468,558</u>		<u>4,923,668</u>
			5,841,163	<u>5,325,284</u>
Current Liabilities				
Creditors - Amounts falling due within one year	14	<u>(1,651,109)</u>		<u>(1,805,099)</u>
Net current assets			<u>4,190,054</u>	<u>3,520,185</u>
Total Assets Less Current Liabilities			26,106,365	25,078,190
Creditors – amount falling due after more than one year	15		(14,066,590)	(14,660,012)
Pension Liability	22		<u>(1,476,000)</u>	<u>(1,069,000)</u>
Net assets			<u>10,563,775</u>	<u>9,349,178</u>
Capital and reserves				
Share capital	16		149	149
Designated reserves	17		4,081,615	3,417,671
Revenue reserves	10		<u>6,482,011</u>	<u>5,931,358</u>
			<u>10,563,775</u>	<u>9,349,178</u>

These financial statements were approved and authorised for issue by the Board on 21/4/13..... and signed on their behalf by:

Board Member: Elyndal Kennedy.....

Board Member: J. Ferguson.....

Secretary: M. G. Wood.....

PARKHEAD HOUSING ASSOCIATION LIMITED

CASH FLOW STATEMENT

YEAR TO 31 MARCH 2013

	Notes	£	2013 £	2012 £
Net cash inflow from operating activities	20		2,399,132	2,640,465
Returns on investments and servicing of finance				
Interest received		54,357		23,606
Interest paid		(143,924)		(149,541)
Net Cash Outflow from Returns on Investments And Servicing of Finance			(89,567)	(125,935)
Capital Expenditure and Financial Investment				
Acquisition and Construction of Properties		(1,167,383)		(3,627,680)
Purchase of Other Fixed Assets		(256,273)		(178,832)
Social Housing Grant Received		166,507		188,880
Proceeds on Disposal of Properties		285,866		611,080
Housing Association Grant Repaid		(233,494)		(332,368)
Net Cash Outflow from Capital Expenditure			(1,204,777)	(3,338,920)
Net Cash Inflow/(Outflow) before use of Financing			1,104,788	(824,390)
Financing				
Loan Advances Received				3,398,471
Loan Principal Repayments		(559,907)		(422,095)
Share Capital Issued		9		15
Net Cash Inflow from Financing			(559,898)	2,976,391
Increase in Cash	20		544,890	2,152,001

Further details are given in note 20.

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

1. Principal Accounting Policies

(a) Basis of Accounting

The Association is incorporated under the Industrial and Provident Societies Act 1965 and is registered with the Financial Conduct Authority. The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice (SORP) – Accounting by Registered Social Housing Providers update 2010, and on the historical costs basis. They also comply with the Determination of Accounting Requirements – April 2012. A summary of the more important accounting policies is set out below.

(b) Turnover

Turnover represents rental and services charge income receivable, fees receivable and revenue grants receivable from grant awarding bodies and first tranche sales of shared ownership properties.

(c) Pension Costs

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

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

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

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

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

(Continued)

(d) Housing Properties

Housing Properties are stated at cost, less social housing and other public grants and less accumulated depreciation.

Works to existing properties will generally be capitalised under the following circumstances:

- Where a component of the housing property that has been treated separately for depreciation purposes and depreciated over its useful economic life is replaced or restored, or
- Where a subsequent expenditure provides an enhancement of the economic benefits of the tangible fixed assets in excess of the previously assessed standard of performance. Such enhancement can occur if the improvements result in an increase in rental income, a material reduction in future maintenance or a significant extension of the life of the property.

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

Depreciation is charged on a straight line basis over the expected economic useful lives of each major component that makes up the housing property as follows:

Land	Not depreciated
Structure	Over 50 years
Roof	Over 40 years
Kitchen	Over 18 years
Bathroom	Over 50 years
Heating system - Boiler	Over 13 years
Heating system – ex boiler	Over 26 years
Windows and external doors	Over 30 years
Internal doors	Over 50 years
Lift	Over 50 years

(e) Impairment of fixed assets

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

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

(Continued)

(f) **Other Fixed Assets**

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

Office Premises (excluding land)	- 1.5% - 3.33%
Furniture and Fittings	- 33.33%
Computer Equipment	- 20%
Office Equipment	- 33.33%

(g) **Social Housing Grant and Other Grants in Advance/Arrears**

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

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

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

(h) **Sales of Housing Properties**

Surpluses and deficits on the sale of housing properties are accounted for in the Income and Expenditure account in the year of disposal. The surplus or deficit is shown on the face of the Income and Expenditure Account.

First tranche Shared Ownership disposals are credited to turnover on completion, the cost of construction of these sales is included as work in progress until the point of sale when the costs are 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.

(i) **Capitalisation of Development Overheads**

Directly attributable development administration costs relating to development activities are capitalised in accordance with the Statement of Recommended Practice 2010.

(j) **Development Interest**

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

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

(Continued)

(k) **Designated Reserves**

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

The Cyclical Maintenance Reserve has been designated to meet future repair and maintenance obligations, which are cyclical in nature. These are carried out in accordance with a planned programme of works.

The Second Stage Transfer (SST) Reserve has been designated to meet the future repair and maintenance costs of the properties acquired under the SST agreement.

The Winning Row is a hostel that provides accommodation and support for women who have suffered from domestic abuse. Any surplus generated by the centre is designated as a repairs and maintenance fund for major repairs to the building.

The voids reserve relates to surpluses made on special needs project that are re-invested into those projects in future years.

The inventory fund represents funds set aside to cover replacement of furniture and other goods and repairs in special needs projects.

(l) **Consolidation**

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

(m) **Value Added Tax**

The Association is registered for VAT. A large portion of its income, including rental receipts, is exempt for VAT purposes, giving rise to a partial exemption calculation. Expenditure is charged to the Income and Expenditure Account inclusive of VAT. Recoverable VAT arising from partial exempt activities is credited to the Income and Expenditure Account.

(n) **Negative Goodwill**

For non-exchange transactions, relating to the acquisition of other entities, the fair value of the gifted assets and liabilities are recognised as a gain or loss in the Income and Expenditure account in the year of the transaction.

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

(Continued)

2. Particulars of turnover, operating costs and operating surplus/(deficit)

		Turnover	Operating Costs £	Operating Surplus/ (deficit) £	Operating Surplus/ (deficit) 2012 £
Social lettings	3a	5,178,044	3,425,263	1,752,781	1,286,185
Other Activities	3b	189,173	270,931	(81,758)	(29,268)
Total		<u>5,367,217</u>	<u>3,696,194</u>	<u>1,671,023</u>	<u>1,256,917</u>
2012		<u>5,884,514</u>	<u>4,627,597</u>	<u>1,256,917</u>	

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

(Continued)

3. Particulars of Income and Expenditure from Lettings

	General Needs Housing £	Hostel Supported Housing £	Shared Ownership £	2013 £	2012 Total £
Income from lettings					
Rent receivable net of identifiable service charges	4,724,051	199,196	113,822	5,037,069	4,801,665
Service charges receivable	198,116	-	-	198,116	184,449
Gross Rents Receivable	4,922,167	199,196	113,822	5,235,185	4,986,114
Less: Rent Losses from Voids	(57,141)	-	-	(57,141)	(56,881)
Net Rents Receivable	4,865,026	199,196	113,822	5,178,044	4,929,233
Revenue grants from the Scottish Ministers	-	-	-	-	-
Total income from Social Letting Activities	4,865,026	199,196	113,822	5,178,044	4,929,233
Expenditure on Social Letting Activities					
Service costs	174,548	-	-	174,548	175,042
Management and maintenance administration costs	751,502	7,150	53,932	812,584	833,720
Planned and cyclical maintenance including major repair costs	1,023,993	2,935	-	1,026,928	1,129,869
Reactive maintenance costs	595,877	7,129	-	603,006	705,262
Bad debts – rents and service charges	29,575	-	-	29,575	40,094
Depreciation of social housing	763,062	-	15,560	778,622	759,061
Operating costs for Social Letting Activities	3,338,557	17,214	69,492	3,425,263	3,643,048
Operating Surplus on Letting Activities	1,526,469	181,982	44,330	1,752,781	1,286,185
2012	1,143,810	106,090	36,285	1,286,185	

The rent loss from voids of £57,141 (2012 : £56,881) includes £Nil (2012 : £nil) in respect of development voids.

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

(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	Operating surplus or deficit for previous period of account
	£	£	£	£	£	£	£	£	£
Wider role activities	-	-	-	-	-	-	-	-	-
Care and repair	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-	-
Development and construction of property activities	-	-	-	55,200	55,200	-	55,200	-	-
Support activities	-	-	63,404	-	63,404	-	67,961	(4,557)	(13,466)
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	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	70,569	70,569	-	147,770	(77,201)	(54,622)
Other activities - Trust Heritage Initiative	-	-	-	-	-	-	-	-	(26,139)
Other activities – Life Cycle Fund (winning row)	-	-	-	-	-	-	-	-	64,959
Total from other activities	-	-	63,404	125,769	189,173	-	270,931	(81,578)	(29,268)
2012	-	-	63,405	891,876	955,281	-	984,549	(29,268)	

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

(Continued)

4. Directors' Emoluments

The Directors are defined as the members of the Board, the Chief Executive and any other person reporting directly to the Chief Executive or the Board whose total emoluments exceed £60,000 per year. No emoluments were paid to any member of the Board during the year.

The emoluments of the directors whose emoluments, excluding pension contributions, were over £60,000 fell within the following bands:

	2013 No.	2012 No.
£60,001 to £70,000	1	1
	2013 £	2012 £
Emoluments payable to Highest Paid Director (excluding pension contributions)	<u>69,589</u>	<u>67,288</u>

The Chief Executive is not an ordinary member of the Association's pension scheme described in Note 22. He has no other pension arrangements to which the Association contributes.

During the year £nil (2012: £nil) was paid to directors in respect of compensation for loss of office.

5. Employee Information

	2013 No.	2012 No.
The average full time equivalent number of persons employed during the year was:	<u>26</u>	<u>25</u>
Staff Costs were:	£	£
Wages and Salaries	875,286	997,701
Social Security Costs	74,506	71,069
Pension Costs	129,261	123,372
	<u>1,079,053</u>	<u>1,192,142</u>

Included in the pension costs total is an expense of £11,000 (2012: income of £150,000) arising from the implementation of FRS17 in the financial statements.

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

(Continued)

6. Gain/(Loss) on Disposal of Fixed Assets

	2013	2012
	£	£
Net Proceeds from the Disposal of Housing Accommodation	79,683	59,178
Cost of Housing Accommodation sold	(50,542)	(194,984)
Gain/(Loss) on Sale of Housing Accommodation	29,141	(135,806)

7. Interest Payable

	2013	2012
	£	£
On Bank Loans and Overdrafts	143,924	156,751
Less: Interest Capitalised	-	(7,210)
Interest Payable	143,924	149,541

8. Surplus on Ordinary Activities Before Tax

Surplus on Ordinary Activities before Taxation is stated after charging:

Depreciation – Tangible Owned Fixed Assets	875,612	859,789
Auditors' Remuneration - External Audit Services	7,030	9,360
Non Audit Services	-	1,435
Surplus on Ordinary Activities Before Tax	882,642	870,584

9. Taxation

The Association obtained charitable status in December 2000. As such, it has no liability for Corporation Tax in respect of its exempt activities.

10. Revenue Reserves

	2013	2012
	£	£
At 1 April	5,931,358	5,652,604
Surplus for the year	1,614,597	877,176
Transfer (to)/from designated reserves (Note 17)	(663,944)	97,578
Actuarial (loss)/gain recognised	(400,000)	(696,000)
At 31 March	6,482,011	5,931,358

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

(Continued)

11a. Tangible Fixed Assets

Housing Properties	Housing Properties Held for Letting £	Housing Properties Under Construction £	Completed Shared Ownership Properties £	Total £
Cost				
At 1 st April 2012	78,520,744	119,403	2,939,165	81,579,312
Additions during year	1,097,648	69,735	-	1,167,383
Disposals in year	(279,387)	-	(42,435)	(321,822)
At 31st March 2013	<u>79,339,005</u>	<u>189,138</u>	<u>2,896,730</u>	<u>82,424,873</u>
Housing Association Grants				
At 1 st April 2012	49,876,227	-	1,771,767	51,647,994
Additions during year	166,507	-	-	166,507
Repayments	(208,521)	-	(24,973)	(233,494)
At 31st March 2013	<u>49,834,213</u>	<u>-</u>	<u>1,746,794</u>	<u>51,581,007</u>
Other Grants				
At 1 st April 2012	3,416,939	-	-	3,416,939
At 31st March 2013	<u>3,416,939</u>	<u>-</u>	<u>-</u>	<u>3,416,939</u>
Depreciation				
At 1 st April 2012	5,980,771	-	159,405	6,140,176
Provided during year	763,062	-	15,560	778,622
Disposals	(62,859)	-	(2,238)	(65,097)
At 31st March 2013	<u>6,680,974</u>	<u>-</u>	<u>172,727</u>	<u>6,853,701</u>
Net Book Value				
As at 31st March 2013	<u>19,406,879</u>	<u>189,138</u>	<u>977,209</u>	<u>20,573,226</u>
As at 31 st March 2012	<u>19,246,807</u>	<u>119,403</u>	<u>1,007,993</u>	<u>20,374,203</u>

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

11a. Tangible Fixed Assets (contd)

Additions to housing properties during the year include capitalised administration costs of £8,195 (2012: £15,599) for which Housing Association Grants amounting to £8,195 (2012: £9,756) were received in the year.

During the year £827,556 (2012: £557,917) out of a planned, cyclical and major repairs spend of £1,854,484 (2012: £1,687,786) was capitalised. Out of the amount capitalised £827,556 (2012: £557,917) related to replacement components and £nil (2012: £nil) related to improvements.

All Housing Properties are freehold.

11 b. Tangible Fixed Assets

Other fixed assets	Land Bank £	Commercial And Office Premises £	Computer Office Furniture & Equipment £	Total £
Cost				
At 1 st April 2012	44,588	1,398,997	360,180	1,803,765
Additions	-	244,681	11,592	256,273
At 31st March 2013	<u>44,588</u>	<u>1,643,678</u>	<u>371,772</u>	<u>2,060,038</u>
Depreciation				
At 1 st April 2012	-	365,872	254,191	620,063
Charge for year	-	46,936	50,054	96,990
At 31st March 2013	<u>-</u>	<u>412,808</u>	<u>304,245</u>	<u>717,053</u>
Net Book Value				
As at 31st March 2013	<u>44,588</u>	<u>1,230,870</u>	<u>67,527</u>	<u>1,342,985</u>
As at 31 st March 2012	<u>44,588</u>	<u>1,033,125</u>	<u>105,989</u>	<u>1,183,702</u>

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

(Continued)

12. Investments

	2013	2012
	£	£
Cost		
At 1 st April and 31 March	<u>100</u>	<u>100</u>

The investment consists of 100 Ordinary A Shares of £1 each in Parkhead Development Limited, in which the Association controls 100% of the voting shares. The subsidiary is registered in Scotland and was dormant during the financial year. The capital and reserves total at 31 March 2013 is £100 (2012: £100).

13. Debtors

	2013	2012
	£	£
Arrears of Rent and Service Charges	207,697	182,999
Less: Provision for Doubtful Debts	<u>(51,924)</u>	<u>(45,750)</u>
	155,773	137,249
Other Debtors	106,678	171,994
Prepayments	<u>110,154</u>	<u>92,373</u>
	<u>372,605</u>	<u>401,616</u>

Included in the figure for rent and service charge arrears is £38,345 (2012: £28,341) due in respect of housing benefits payments.

14. Creditors – Amounts falling due within one year

	2013	2012
	£	£
Housing Loans (Note 15)	530,496	496,981
Trade Creditors	267,996	338,144
Other Creditors	102,821	148,247
Accrued Charges	587,191	656,270
Rent in Advance	<u>162,605</u>	<u>165,457</u>
	<u>1,651,110</u>	<u>1,805,099</u>

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

(Continued)

15. Creditors – Amounts falling due after more than one year

	2013	2012
	£	£
Housing Loans	<u>14,066,590</u>	<u>14,660,012</u>

Housing Loans are secured by specific charges on the Association's housing properties and are repayable at a variable rate from 0.723% to 0.729% (2012: 1.23% to 1.25%) in instalments, due as follows:

Within one year (Note 14)	530,496	496,981
Between one and two years	532,675	501,453
Between two and five years	1,302,553	1,016,486
In five years or more	<u>12,231,362</u>	<u>13,142,073</u>
	14,597,086	15,156,993
Less amount shown in current liabilities	(530,496)	(496,981)
	<u>14,066,590</u>	<u>14,660,012</u>

16. Share Capital

	2013	2012
	£	£
Shares of £1 each issued and fully paid		
At 1 st April 2012	149	150
Issued in year	9	15
Cancelled in year	<u>(9)</u>	<u>(16)</u>
At 31 March 2013	<u>149</u>	<u>149</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.

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

(Continued)

17. Designated Reserves

	SST Reserves £	Cyclical Main- tenance Reserves £	Winning Row Reserve £	Void Reserve £	Inventory Reserve £	Total £
At 1 st April 2012	1,631,149	1,786,522	-	-	-	3,417,671
Transfer (to)/from revenue reserves (Note 10)	(6,329)	-	502,587	78,618	89,068	663,944
At 31 March 2013	<u>1,624,820</u>	<u>1,786,522</u>	<u>502,587</u>	<u>78,618</u>	<u>89,068</u>	<u>4,081,615</u>

18. Contingent Liabilities

Housing Association Grant allocated to components (as detailed in Note 1 (d)) that have subsequently been replaced by the Association are recognised in the Income and Expenditure account, with the cost of the replacement and any additional funding for this replacement being capitalised. The recycled grant recognised in the Income and Expenditure account at 31 March 2013 was £2,153,304 (2012: £1,973,418).

19. Housing Stock

	2013 No.	2012 No.
The number of units of accommodation in management at the year end was:		
General needs - New build	586	581
- Rehabilitation	854	854
Shared Ownership	54	57
Supported Housing	9	9
	<u>1,503</u>	<u>1,501</u>

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

(Continued)

20. Cash Flow Statement

	2013	2012	
	£	£	
Reconciliation of Operating Surplus to Net Cash Flow from Operating Activities			
Operating surplus	1,671,023	1,256,917	
Pension – Employee costs difference	11,000	(150,000)	
Depreciation	875,612	859,787	
Decrease in Debtors	29,011	362,584	
Increase/(decrease) in Creditors	(187,504)	311,193	
Share Capital cancelled	(9)	(16)	
	<u>2,399,132</u>	<u>2,640,465</u>	
Reconciliation of Net Cash Flow to Movement In Net Debt			
Increase in Cash in the year	544,890	2,152,001	
Cash inflow/(outflow) from increase in debt finance	559,907	(2,976,376)	
	<u>1,104,797</u>	<u>(824,375)</u>	
Increase/(decrease) in Net Debt	1,104,797	(824,375)	
Net Debt at 1 April 2012	(10,233,383)	(9,408,950)	
	<u>(9,128,528)</u>	<u>(10,233,325)</u>	
Analysis of Changes in Net Debt			
	At	Cash	At
	31 March	Flows	31 March
	2012		2013
	£	£	£
Cash at Bank and in Hand	4,923,668	544,890	5,468,558
Debt due within one year	(496,981)	(33,515)	(530,496)
Debt due after one year	(14,660,012)	593,422	(14,066,590)
	<u>(10,233,325)</u>	<u>1,104,797</u>	<u>(9,128,528)</u>

21. Capital Commitments

	2013	2012
	£	£
Capital expenditure that has been contracted for but has not been provided for in the Financial Statements	2,205,331	-
Capital commitments are expected to be funded as follows:		
Housing Association Grant	1,051,469	-
Private finance funding	1,339,799	-
	<u>2,205,331</u>	<u>-</u>

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

(Continued)

22. Pensions Obligations

Pension Fund

The Association is a member of the Local Government Pension Scheme (LGPS). The disclosure for the LGPS is as follows:

Local Pension Disclosure

The last full Actuarial valuation was carried out as at 31 March 2011. The following information is based on updated information. This actuarial valuation of the scheme was carried out by independent actuaries at 31 March 2013 using the following assumptions.

Actuarial assumptions	2013	2012
Rate of increase in salaries	5.1%	4.80%
Expected return on assets	5.2%	5.80%
Discount rate	4.5%	4.80%
Inflation assumption	2.8%	2.50%
Post retirement mortality		Weighted average life expectancy for mortality tables used to determine benefit obligations

The amounts recognised in the balance sheet are as follows:

	2013	2012
	£	£
Present value of funded obligations	(7,752,000)	(6,556,000)
Fair value of plan assets	6,276,000	5,487,000
Net Liability	(1,476,000)	(1,069,000)

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

(Continued)

22. Pensions Obligations (continued)

Changes in the present value of the defined benefit obligation are as follows:

Defined Benefit Plans	2013	2012
	£	£
Opening defined benefit obligation	6,556,000	4,803,000
Service cost	149,000	123,000
Member Contributions	51,000	47,000
Interest cost	314,000	268,000
Actuarial losses	894,000	1,335,000
Loss on curtailment	-	158,000
Past service costs	-	-
Benefits paid	(212,000)	(178,000)
Closing defined benefit obligation	7,752,000	6,556,000

Changes in the fair value of plan assets are as follows:

Defined Benefit Plans	2013	2012
	£	£
Opening plan assets	5,487,000	4,398,000
Expected return on assets	318,000	308,000
Actuarial gains	494,000	639,000
Contributions by employer	138,000	273,000
Contributions by members	51,000	47,000
Benefits paid	(212,000)	(178,000)
Closing plan assets	6,276,000	5,487,000

The amounts recognised in income and expenditure account are as follows:

	2013	2012
	£	£
Current service cost	149,000	123,000
Interest on obligation	314,000	268,000
Expected return on plan assets	(318,000)	(308,000)
Loss on curtailments	-	158,000
Total	145,000	241,000

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

(Continued)

22. Pensions Obligations (continued)

Changes in the amounts recognised in the statement of total recognised gains and (losses) are as follows:

	2013	2012
	£	£
Opening cumulative STRGL	(976,000)	(280,000)
Actuarial (losses)	(400,000)	(696,000)
	(1,376,000)	(976,000)

The major categories of plan assets as a percentage of total as a percentage of total plan assets are as follows:

	2013	2012
Equities	5.7%	6.3%
Properties	3.9%	4.4%
Bonds	3.4%	3.9%
Other	3.0%	3.5%

The history of experience gains and losses is as follows:

	2013	2012	2011	2010	2009
Difference between expected and actual return on scheme assets					
Amount £	494,000	639,000	28,000	880,000	(773,000)
Percentage of scheme assets	7.87%	11.65%	0.64%	22.20%	(27.90%)
Experience (loss)/gain arising on scheme liability					
Amount £	10 (1,035,000)	-	-	-	154,000
Percentage of scheme liabilities	0.00%	(16.0%)	0.00%	0.00%	5.10%
Total amount of actuarial (loss)/gain					
Amount £	400,000	696,000	560,000	1,275,000	342,000
Percentage of scheme liability	5.16%	10.62%	11.66%	23.30%	11.40%

PARKHEAD HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2013

(Continued)

23. Related Parties

Tenants, sharing owners and owners who are members of the Board are not treated differently to any other tenants or owners. City Councillors who are members of the Board declare their interests relating to relevant decisions taken by the Association or the City Council.

24. Reconciliation of Funds

	2013	2012
	£	£
At 1 April	9,349,178	9,168,003
Surplus for year	1,614,597	877,176
Actuarial (loss)/gain	(400,000)	(696,000)
New Shares Issued	9	15
Shares Cancelled	(9)	(16)
Net Change in Funds	<u>1,214,597</u>	<u>181,175</u>
At 31 March	<u>10,563,775</u>	<u>9,349,178</u>