

Pineview Housing Association Limited

Report and Financial Statements

For the year ended 31st March 2011

Registered Housing Association No.HAC 231

FSA Reference No. 2375R (S)

Scottish Charity No. SC038237

PINEVIEW HOUSING ASSOCIATION LIMITED

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

MANAGEMENT COMMITTEE

Jean Black	Chairperson
Christine Glassford	Vice Chairperson
Myra Frater	Treasurer
Josephine McGinty	Secretary
Winifred McPhail	
Gail Boyle	Appointed 29/06/10
Patricia Sinclair	Appointed 29/06/10
Amanda Smith	Appointed 29/06/10
Robert Archer	Appointed 29/06/10
Lorraine Beddingfield	Appointed 08/03/11
James Mack	Co opted 08/03/11
Thomas Blair	Co opted 08/03/11
Gary Granger	Resigned 11/05/10
Caroline Hall	Appointed 29/06/10 Resigned 28/02/11

EXECUTIVE OFFICERS

Niall Gordon	Director - Appointed 13/09/10
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REGISTERED OFFICE

5 Rozelle Avenue
Drumchapel
Glasgow
G15 7QR

AUDITORS

Alexander Sloan
Chartered Accountants
38 Cadogan Sreet
Glasgow
G2 7HF

BANKERS

Bank of Scotland
19 Roman Road
Bearsden
G61 2SP

SOLICITORS

TC Young & Sons
7 West George Street
Glasgow

FINANCE AGENTS

FMD Financial Services
29 Ladyloan Place
Glasgow
G15 8LB

PINEVIEW HOUSING ASSOCIATION LIMITED

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

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

Legal Status

The Association is a registered non-profit making organisation under the Industrial and Provident Societies Act 1965 No.2375R (S). The Association is constituted under its Rule Book. The Association is a registered Scottish Charity with the charity number SC038237.

Principal Activities

The Association is a Registered Scottish Charity and we provide relief of those in need by reason of age, ill health (whether related to mental or physical health), disability (whether due to mental or physical health issues or learning disabilities), financial hardship or other disadvantage, both to individual persons or to a group of persons with similar needs and issues by;

1. providing, constructing, improving and managing land, accommodation and associated facilities and providing care;
2. providing or arranging home maintenance, repair and improvement services and providing facilities and services for the benefit of such people either exclusively for them or together with other persons;
3. undertaking any activities which are charitable, allowed under section 58 of the Housing (Scotland) Act 2001, including any statutory amendment or re enactment of the provisions of this section from time to time being in force and;
4. carrying on any other charitable activities permitted to registered social landlords from time to time.

Review of Business and Future Developments

The Association's overall aim is to help sustain the regeneration of Drumchapel through the provision of quality housing and services, which will meet the diverse needs and aspirations of our customers.

In its most recent Strategy and Development Funding Plan (2011-14) the Association indicated it would like to continue to develop. We would also like to contribute to Wider Action and Economic Regeneration.

The Association has a points based allocations system designed so that houses are made available to those in housing need although there are some aspirational transfers allowed under the policy. A rent policy has been formulated which tries to ensure that rents are affordable but also comparable to other housing providers and which allows the Association to remain a viable organisation by being able to meet all of its present and future financial obligations.

The Association recognises its obligations to provide major repairs to its properties when required and life cycle costing exercises have been carried out to identify the extent of such repairs over each property's expected life span. An updated stock condition was carried out in 2008 and the Association submitted a self assessment for the new Scottish Housing Quality Standard in 2006.

In order to be in a better position to meet its future commitments, the Association became a charitable housing association in May 2007.

PINEVIEW HOUSING ASSOCIATION LIMITED

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

Review of Business and Future Developments (Contd.)

The Past

The Association has 539 properties for rent and have 24 shared ownership and 22 owner occupiers. The Association has continued to manage and maintain these houses to a high standard, reinforcing their commitment to good quality houses at affordable rents.

Current year

Pineview have continued to invest in its housing stock and to maintain the standard of properties that it offers to residents, this included amongst others: painterwork, gas servicing, new kitchens and boilers.

Pineview have also made significant improvements in arrears levels, void loss, customer service and wider role involvement over the past year.

The Future

Although Pineview have indicated in its SDFP that it wishes to continue developing, funding restrictions over the next few years will prevent this.

Pineview will continue to improve the service that it provides to its residents in terms of its reactive/planned and cyclical programmes. These elements of Pineview's business are crucial to ensure that its properties are maintained to a high level and that the future of the stock is protected and maximised.

In addition it is also focussed on working towards the objectives and targets agreed within the Internal Management Plan (May 2011) and ensuring that it achieves value for money and improvement in all its areas of operation.

Major challenges that Pineview will address over the coming year are:

- To develop its role within the community and working in partnership with other organisations to maximise community benefits and involvement with residents at all levels.
- To ensure the organisation achieves its obligations as part of the Scottish Housing Quality Standards
- Identify options for office space for the long term future of the organisation

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

Management Committee and Executive Officers

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

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

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

Statement of Management Committee's Responsibilities

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

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

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

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

In so far as the Management Committee are aware:

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

PINEVIEW HOUSING ASSOCIATION LIMITED

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

Statement on Internal Financial Control

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

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

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

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

Donations

During the year the Association made charitable donations amounting to £325 (2010 £150).

Auditors

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

By order of the Management Committee

JOSEPHINE MCGINTY

Secretary

14th June 2011

PINEVIEW HOUSING ASSOCIATION LIMITED

**REPORT BY THE AUDITORS TO THE MANAGEMENT COMMITTEE OF
PINEVIEW HOUSING ASSOCIATION LIMITED
ON CORPORATE GOVERNANCE MATTERS**

In addition to our audit of the Financial Statements, we have reviewed your statement on Page 4 concerning the Association's compliance with the information required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing".

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 4 has provided the disclosures required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing" and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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

ALEXANDER SLOAN
Chartered Accountants

GLASGOW
14th June 2011

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

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

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

Respective Responsibilities of Management Committee and Auditors

As described in the Statement of Management Committee's Responsibilities the Association's Management Committee, are responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit on the Financial Statements

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

Opinion on the financial statements

In our opinion the Financial Statements:

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

In our opinion, the information given in the Management Committee's Report is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

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

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

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

We have nothing to report in respect of these matters.

ALEXANDER SLOAN

Chartered Accountants
Statutory Auditors
GLASGOW
14th June 2011

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

	Notes	2011 £	2010 £
TURNOVER	2.	1,902,738	1,971,168
Operating Costs	2.	<u>(1,431,857)</u>	<u>(1,463,747)</u>
OPERATING SURPLUS	9.	470,881	507,421
Gain On Sale Of Housing Stock	7.	2,432	500
Release of Negative Goodwill	26.	1,484	1,482
Interest Receivable and Other Income		23,474	32,298
Interest Payable and Similar Charges	8.	<u>(175,064)</u>	<u>(193,274)</u>
		<u>(147,674)</u>	<u>(158,994)</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		323,207	348,427
Tax on surplus on ordinary activities	10.	<u>-</u>	<u>2,912</u>
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>323,207</u>	<u>351,339</u>

All amounts relate to continuing activities. All recognised surpluses and deficits have been included in the Income & Expenditure Account. Historical cost surpluses and deficits are identical to those shown in the accounts.

PINEVIEW HOUSING ASSOCIATION LIMITED

BALANCE SHEET AS AT 31st MARCH 2011

	Notes	£	2011 £	£	2010 £
TANGIBLE FIXED ASSETS					
Housing Properties - Depreciated Cost	11.(a)		38,116,747		38,305,058
Less: Social Housing Grant	11.(a)		(30,026,970)		(30,049,194)
: Other Public Grants	11.(a)		(513,417)		(513,417)
			<hr/>		<hr/>
			7,576,360		7,742,447
Other fixed assets	11.(b)		67,410		86,510
			<hr/>		<hr/>
			7,643,770		7,828,957
CURRENT ASSETS					
Debtors	14.	102,124		106,719	
Cash at bank and in hand		1,876,777		1,632,508	
		<hr/>		<hr/>	
		1,978,901		1,739,227	
CREDITORS: Amounts falling due within one year					
	15.	(521,317)		(573,226)	
		<hr/>		<hr/>	
NET CURRENT ASSETS			1,457,584		1,166,001
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,101,354		8,994,958
CREDITORS: Amounts falling due after more than one year					
	16.	(5,686,953)		(5,902,268)	
		<hr/>		<hr/>	
NET ASSETS			3,414,401		3,092,690
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Share Capital	18.		327		339
Designated Reserves	19.(a)		2,850,605		2,606,700
Revenue Reserves	19.(b)		535,294		455,992
Negative Goodwill	26.		28,175		29,659
			<hr/>		<hr/>
			3,414,401		3,092,690
			<hr/>		<hr/>

The Financial Statements were approved by the Management Committee and signed on their behalf on 14th June 2011.

Chairperson

Vice-Chairperson

Secretary

PINEVIEW HOUSING ASSOCIATION LIMITED

**CASH FLOW STATEMENT FOR THE YEAR ENDED
31st MARCH 2011**

	Notes	£	2011 £	£	2010 £
Net Cash Inflow from Operating Activities	17.		666,170		698,924
Returns on Investment and Servicing of Finance					
Interest Received		23,474		64,189	
Interest Paid		(175,064)		(193,208)	
Net Cash Outflow from Investment and Servicing of Finance			(151,590)		(129,019)
Taxation					
Corporation Tax Paid		-		2,912	
Net Cash Inflow from Taxation			-		2,912
Capital Expenditure and Financial Investment					
Acquisition and Construction of Properties		(23,965)		(22,720)	
Purchase of Other Fixed Assets		(1,797)		(19,789)	
Social Housing Grant Received		23,965		22,720	
Social Housing Grant Repaid		(32,406)		(17,431)	
Proceeds on Disposal of Properties		44,784		21,595	
Net Cash Inflow / (Outflow) from Capital Expenditure and Financial Investment			10,581		(15,625)
Net Cash Inflow before use of Liquid Resources and Financing			525,161		557,192
Financing					
Loan Principal Repayments		(280,895)		(307,771)	
Share Capital Issued		3		4	
Net Cash Outflow from Financing			(280,892)		(307,767)
Increase in Cash	17.		244,269		249,425

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Basis Of Accounting

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

Turnover

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

Retirement Benefits

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

Valuation Of Housing Properties

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

Depreciation And Impairment Of Other Fixed Assets

Other Fixed Assets are stated at cost less accumulated depreciation. Depreciation is charged on the following basis:-

Office Premises	- 2% Straight Line
Furniture and Fittings	- 25% Reducing Balance
Computer Equipment	- 25% Straight Line
Office Equipment	- 25% Reducing Balance

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

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.

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Sales Of Housing Properties

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

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

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

Leases/Leased Assets

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

Works to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

Capitalisation Of Development Overheads

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

Development Interest

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

Designated Reserves

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

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

Property Development Cost

The proportion of the development cost of shared ownership properties expected to be disposed of as a first tranche sale is held in current assets until it is disposed of. The remaining part of the development cost is treated as a fixed asset. Surpluses made on the disposal of first tranche sales are taken to the Income and Expenditure Account in accordance with the Statement of Recommended Practice.

Property developments that are intended for resale are included in current assets until disposal.

Negative Goodwill

Negative goodwill created through transfer of engagements is written off to the Income and Expenditure account as the non-cash assets acquired are depreciated or sold.

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Notes	2011			2010		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Social Lettings	3.	1,852,559	1,355,791	496,768	1,818,237	1,275,921	542,316
Other Activities	4.	50,179	76,066	(25,887)	152,931	187,826	(34,895)
Total		<u>1,902,738</u>	<u>1,431,857</u>	<u>470,881</u>	<u>1,971,168</u>	<u>1,463,747</u>	<u>507,421</u>

3. PARTICULARS OF INCOME & EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing £	Supported Housing £	Shared ownership £	2011 Total £	2010 Total £
Income from Lettings					
Rent Receivable Net of Identifiable Service Charges	1,660,541	19,914	31,880	1,712,335	1,672,320
Service Charges Receivable	99,679	20,118	20,058	139,855	143,093
Gross Rents Receivable	<u>1,760,220</u>	<u>40,032</u>	<u>51,938</u>	<u>1,852,190</u>	<u>1,815,413</u>
Less: Rent losses from voids	2,664	-	-	2,664	6,971
Net Rents Receivable	<u>1,757,556</u>	<u>40,032</u>	<u>51,938</u>	<u>1,849,526</u>	<u>1,808,442</u>
Revenue Grants From Local Authorities and Other Agencies	3,033	-	-	3,033	9,795
Total Income From Social Letting	<u>1,760,589</u>	<u>40,032</u>	<u>51,938</u>	<u>1,852,559</u>	<u>1,818,237</u>
Expenditure on Social Letting Activities					
Service Costs	99,679	20,118	20,058	139,855	143,093
Management and maintenance administration costs	613,962	13,963	18,116	646,041	534,982
Reactive Maintenance	132,520	-	-	132,520	103,529
Bad Debts - Rents and Service Charges	(6,635)	-	-	(6,635)	24,342
Planned and Cyclical Maintenance, including Major Repairs	287,868	-	-	287,868	313,833
Depreciation of Social Housing	151,180	-	4,962	156,142	156,142
Operating Costs of Social Letting	<u>1,278,574</u>	<u>34,081</u>	<u>43,136</u>	<u>1,355,791</u>	<u>1,275,921</u>
Operating Surplus on Social Letting Activities	<u>482,015</u>	<u>5,951</u>	<u>8,802</u>	<u>496,768</u>	<u>542,316</u>
2010	<u>524,246</u>	<u>7,914</u>	<u>10,156</u>		

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Grants From Scottish Ministers £	Other Revenue Grants £	Supporting People Income £	Other Income £	Total Turnover £	Operating Costs Bad Debts £	Operating Costs Other £	Operating Surplus / (Deficit) 2011 £	Operating Surplus / (Deficit) 2010 £
Wider Role Activities	-	-	-	-	-	-	4,460	(4,460)	(6,456)
Support Activities	-	-	39,521	-	39,521	-	39,521	-	-
LHO	-	-	-	-	-	-	-	-	(10,167)
Other Income - Welfare Rights	-	-	-	-	-	-	3,411	(3,411)	-
Services - Other Owners	-	-	-	10,658	10,658	-	10,658	-	-
Rechargeable Repair - Bad Debts/Gain on Sale	-	-	-	-	-	18,016	-	(18,016)	(18,272)
Total From Other Activities	<u>-</u>	<u>-</u>	<u>39,521</u>	<u>10,658</u>	<u>50,179</u>	<u>18,016</u>	<u>58,050</u>	<u>(25,887)</u>	<u>(34,895)</u>
2010	<u>44,618</u>	<u>68,391</u>	<u>39,922</u>	<u>-</u>	<u>152,931</u>	<u>18,272</u>	<u>169,554</u>	<u>(34,895)</u>	

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

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

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

Pension contributions made on behalf of the Chief Executive	<u>7,460</u>	<u>8,147</u>
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Emoluments payable to Chief Executive (excluding pension contributions)	<u>53,954</u>	<u>54,360</u>
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Disclosure of emoluments relates to both the current Chief Executive and previous Chief Executive who retired during the year.

6. EMPLOYEE INFORMATION

	2011	2010
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	<u>15</u>	<u>15</u>

The average total number of Employees employed during the year was	<u>15</u>	<u>15</u>
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Staff Costs were:	£	£
Wages and Salaries	391,237	400,989
Social Security Costs	33,536	33,511
Other Pension Costs	44,711	41,327
Temporary, Agency and Seconded Staff	-	167
	<u>469,484</u>	<u>475,994</u>

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. GAIN ON SALE OF HOUSING STOCK

	2011	2010
	£	£
Sales Proceeds	44,784	21,595
Cost of Sales	42,352	21,095
Gain On Sale Of Housing Stock	<u>2,432</u>	<u>500</u>

8. INTEREST PAYABLE

	2011	2010
	£	£
On Bank Loans & Overdrafts	<u>175,064</u>	<u>193,274</u>

9. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2011	2010
	£	£
Surplus on Ordinary Activities before Taxation is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	172,344	166,796
Auditors' Remuneration - Audit Services	6,500	6,500
- Other Services	-	1,058
Operating Lease Rentals - Land & Buildings	1,332	4,000
Operating Lease Rentals - Other	3,867	3,543
Loss on sale of fixed assets	<u>4,694</u>	<u>-</u>

10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

	2011	2010
	£	£
(i) Analysis of Charge in Year		
Current Tax:		
Adjustments in respect of previous years	-	(2,912)
Total Current Tax (Note 10(ii))	<u>-</u>	<u>(2,912)</u>
Tax on surplus on ordinary activities	<u>-</u>	<u>(2,912)</u>

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

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. TANGIBLE FIXED ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Completed Shared Ownership Properties £	Total £
COST			
As at 1st April 2010	38,947,111	404,255	39,351,366
Additions	23,965	-	23,965
Disposals	(58,566)	-	(58,566)
As at 31st March 2011	38,912,510	404,255	39,316,765
DEPRECIATION			
As at 1st April 2010	997,467	48,841	1,046,308
Charge for Year	151,180	4,962	156,142
Disposals	(2,432)	-	(2,432)
As at 31st March 2011	1,146,215	53,803	1,200,018
SOCIAL HOUSING GRANT			
As at 1st April 2010	29,770,829	278,365	30,049,194
Additions	23,965	-	23,965
Disposals	(46,189)	-	(46,189)
As at 31st March 2011	29,748,605	278,365	30,026,970
OTHER CAPITAL GRANTS			
As at 1st April 2010	513,417	-	513,417
As at 31st March 2011	513,417	-	513,417
NET BOOK VALUE			
As at 31st March 2011	7,504,273	72,087	7,576,360
As at 31st March 2010	7,665,398	77,049	7,742,447

Additions to housing properties includes capitalised development administration costs of £2179 (2010 - £1,867) and capitalised major repair costs to existing properties of £nil (2010 £nil)

All land and housing properties are freehold.

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. TANGIBLE FIXED ASSETS (Continued)

b) Other Tangible Assets	Office Premises £	Furniture & Equipment £	Total £
COST			
As at 1st April 2010	150,000	163,698	313,698
Additions	-	1,797	1,797
Eliminated on Disposals	-	(70,973)	(70,973)
As at 31st March 2011	150,000	94,522	244,522
AGGREGATE DEPRECIATION			
As at 1st April 2010	100,000	127,188	227,188
Charge for year	1,250	14,952	16,202
Eliminated on disposal	-	(66,278)	(66,278)
As at 31st March 2011	101,250	75,862	177,112
NET BOOK VALUE			
As at 31st March 2011	48,750	18,660	67,410
As at 31st March 2010	50,000	36,510	86,510

13. COMMITMENTS UNDER OPERATING LEASES

At the year end, the annual commitments under operating leases were as foll	2011 £	2010 £
Land and Buildings		
Expiring within one year	-	4,000
Other		
Expiring within one year	1,361	1,134
Expiring between two and five years	2,203	2,453
Expiring in over five years	2,122	-

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. DEBTORS

	2011 £	2010 £
Arrears of Rent & Service Charges	72,871	115,337
Less: Provision for Doubtful Debts	(45,303)	(75,719)
	<u>27,568</u>	<u>39,618</u>
Other Debtors	74,556	67,101
	<u>102,124</u>	<u>106,719</u>

15. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Housing Loans	255,825	321,405
Trade Creditors	20,585	29,546
Rent in Advance	44,517	33,450
Other Taxation and Social Security	9,931	12,352
Other Creditors	135,118	128,262
Accruals and Deferred Income	55,341	48,211
	<u>521,317</u>	<u>573,226</u>

At the balance sheet date there were pension contributions outstanding of £5,328 (2010 £5,379)

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

	2011 £	2010 £
Housing Loans	<u>5,686,953</u>	<u>5,902,268</u>
Housing Loans are secured by specific charges on the Association's housing properties and are repayable at varying rates of interest in instalments, due as follows:-		
Within one year	255,825	321,405
Between one and two years	265,504	332,024
Between two and five years	856,566	1,062,980
In five years or more	<u>4,564,883</u>	<u>4,507,264</u>
	5,942,778	6,223,673
Less: Amount shown in Current Liabilities	255,825	321,405
	<u>5,686,953</u>	<u>5,902,268</u>

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. CASH FLOW STATEMENT

<i>Reconciliation of operating surplus to net cash inflow from operating activities</i>	2011 £	2010 £
Operating Surplus	470,881	507,421
Depreciation	172,344	166,796
Change in Debtors	4,595	22,852
Change in Creditors	13,671	1,862
Loss on sale of fixed assets	4,694	-
Share Capital Written Off	(15)	(7)
Net Cash Inflow from Operating Activities	<u>666,170</u>	<u>698,924</u>

<i>Reconciliation of net cash flow to movement in net debt</i>	2011 £	£	2010 £	£
Increase in Cash	244,269		249,425	
Cash flow from change in debt	<u>280,895</u>		<u>307,771</u>	
Movement in net debt during year		525,164		557,196
Net debt at 1st April 2010		<u>(4,591,165)</u>		<u>(5,148,361)</u>
Net debt at 31st March 2011		<u><u>(4,066,001)</u></u>		<u><u>(4,591,165)</u></u>

<i>Analysis of changes in net debt</i>	At 01.04.10 £	Cash Flows £	Other Changes £	At 31.03.11 £
Cash at bank and in hand	1,632,508	244,269	-	1,876,777
Debt: Due within one year	(321,405)	65,580	-	(255,825)
Due after more than one year	<u>(5,902,268)</u>	<u>215,315</u>	<u>-</u>	<u>(5,686,953)</u>
Net Debt	<u><u>(4,591,165)</u></u>	<u><u>525,164</u></u>	<u><u>-</u></u>	<u><u>(4,066,001)</u></u>

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PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2010	339
Issued in year	3
Cancelled in year	(15)
At 31st March 2011	<u>327</u>

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

19. RESERVES

(a) Designated Reserves	Major Repairs £	Total £
At 1st April 2010	2,606,700	2,606,700
Transfer to / (from) Revenue Res	243,905	243,905
At 31st March 2011	<u>2,850,605</u>	<u>2,850,605</u>

(b) Revenue Reserves	Total £
At 1st April 2010	455,992
Surplus for the year	323,207
Transfer (to) / from Designated Reserves	(243,905)
At 31st March 2011	<u>535,294</u>

20. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2011 No.	2010 No.
General Needs - New Build	441	442
- Rehabilitation	97	97
Shared Ownership	24	24
Supported Housing	1	1
	<u>563</u>	<u>564</u>

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. RELATED PARTY TRANSACTIONS

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

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

9 members are tenants of the Association

1 member is a factored owner

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

26. NEGATIVE GOODWILL

	2011 £
Balance as at 1st April	29,659
Release during the year	(1,484)
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As at 31st March 2011	28,175
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PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

32. RETIREMENT BENEFIT OBLIGATIONS

General

Pineview Housing Association Limited participates in the Scottish Housing Association Pension Scheme (the scheme).

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

The Scheme offers five benefit structures to employers, namely:

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

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

At 1 April 2011 Pineview Housing Association Limited changed from the final salary with a 1/60th accrual rate benefit structure to the Career Average Earnings - 1/120th scheme for existing employees. New employees after this date will be offered the Career Average Earnings - 1/120th

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

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

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

Housing Association Limited. The annual pensionable payroll in respect of these members was £290,331. Pineview Housing Association Limited continues to offer membership of the Scheme to its employees.

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

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

32. RETIREMENT BENEFIT OBLIGATIONS (Continued)

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

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

Financial Assumptions

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

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

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

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

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

32. RETIREMENT BENEFIT OBLIGATIONS (Continued)

Valuation Results

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

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

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

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

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

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

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