

**Pineview Housing Association Limited**

**Report and Financial Statements**

**For the year ended 31st March 2012**

**Registered Housing Association No.HAC 231**

**FSA Reference No. 2375R (S)**

**Scottish Charity No. SC038237**

# PINEVIEW HOUSING ASSOCIATION LIMITED

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**PINEVIEW HOUSING ASSOCIATION LIMITED**

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**MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS  
YEAR ENDED 31st MARCH 2012**

**MANAGEMENT COMMITTEE**

James Mack	Chairperson
Jean Black	Treasurer
Christine Glassford	Vice Chairperson
Josephine McGinty	Secretary
Myra Frater	
Winifred McPhail	
Gail Boyle	
Patricia Sinclair	
Amanda Smith	
Robert Archer	
Lorraine Bedingfield	
Rose West	From 22 November 2011
Thomas Blair	Deceased 22 June 2011

**EXECUTIVE OFFICERS**

Niall Gordon	Director
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**REGISTERED OFFICE**

5 Rozelle Avenue  
Drumchapel  
Glasgow  
G15 7QR

**AUDITORS**

Alexander Sloan  
Chartered Accountants  
38 Cadogan Street  
Glasgow  
G2 7HF

**BANKERS**

Bank of Scotland  
19 Roman Road  
Bearsden  
G61 2SP

**SOLICITORS**

TC Young  
7 West George Street  
Glasgow

**FINANCE AGENTS**

FMD Financial Services  
29 Ladyloan Place  
Glasgow  
G15 8LB

## PINEVIEW HOUSING ASSOCIATION LIMITED

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### REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2012

The Management Committee presents its report and the Financial Statements for the year ended 31st March 2012.

#### 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.

Pineview currently has no development plan in place however if the opportunity came up in the future this is something that the organisation would give serious consideration to.

We would also like to contribute further to Wider Action and Economic Regeneration within the locality.

Pineview are also committed to ensuring its properties are maintained to a high standard and recognises its obligations to provide major repairs to its properties to ensure that this is the case. We are in the process of carrying out a comprehensive 20% stock condition survey that will allow us to update our life cycle costing exercises and to confirm the position with our stock.

#### 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 through its reactive repairs and annual house visits.

Pineview have continued to work towards improving performances in repairs responses, arrears levels, void loss, customer service and wider role involvement over the past year.

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REPORT OF THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31ST MARCH 2012

Review of Business and Future Developments (Contd.)

The Future

Pineview will focus on maintaining the increased level of performance that it has achieved over the last 2 years.

Pineview s overall focus will also be on on working towards the objectives and targets agreed within the Internal Management Plan (May 2012) 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:

- Tenant participation
- Scottish housing charter
- Welfare reform
- Kinfauns centre
- Estate caretaker service.
- Energy efficiency
- Staffing review 2012

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**REPORT OF THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31ST MARCH 2012**

**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.

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REPORT OF THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31ST MARCH 2012

**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.

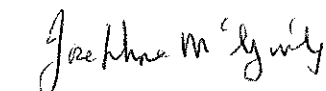
**Donations**

During the year the Association made charitable donations amounting to £2,643 (2011 £325).

**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

7th August 2012

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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  
7th August 2012



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

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We have audited the financial statements of Pineview Housing Association Limited for the year ended 31st March 2012 which comprise an income and expenditure account, balance sheet, cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective Responsibilities of Management Committee and Auditors**

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

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

### **Scope of the audit on the Financial Statements**

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

### **Opinion on the financial statements**

In our opinion the Financial Statements:

- give a true and fair view of the state of the Association's affairs as at 31st March 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice: and
- have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements

### **Matters on which we are required to report by exception**

We are required to report to you if, in our opinion:

- the information given in the Management Committee's Report is inconsistent with the financial statements.
- 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**

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

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

We have nothing to report in respect of these matters.



**ALEXANDER SLOAN**  
Chartered Accountants  
Statutory Auditors  
GLASGOW  
7th August 2012

PINEVIEW HOUSING ASSOCIATION LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2012

	Notes	2012 £	Restated 2011 £
TURNOVER	2.	2,117,229	1,902,738
Operating Costs	2.	<u>(1,663,025)</u>	<u>(1,463,768)</u>
OPERATING SURPLUS	9.	454,204	438,970
Gain On Sale Of Housing Stock	7.	-	2,432
Release of Negative Goodwill	22.	1,482	1,484
Interest Receivable and Other Income		33,825	23,474
Interest Payable and Similar Charges	8.	<u>(171,822)</u>	<u>(175,064)</u>
		<u>(136,515)</u>	<u>(147,674)</u>
<b>SURPLUS FOR YEAR</b>		<u>317,689</u>	<u>291,296</u>

All amounts relate to continuing activities.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2012 £	Restated 2011 £
Surplus for the financial year	317,689	291,296
Prior year adjustment (as explained in Note 27)	<u>(492,061)</u>	<u>-</u>
<b>Total losses and gains recognised since last annual report</b>	<u>(174,372)</u>	<u>291,296</u>

PINEVIEW HOUSING ASSOCIATION LIMITED

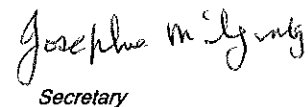
BALANCE SHEET AS AT 31st MARCH 2012

	Notes	2012		Restated 2011	
		£	£	£	£
<b>TANGIBLE FIXED ASSETS</b>					
Housing Properties - Depreciated Cost	11.(a)		37,203,885		37,402,871
Less: Social Housing Grant	11.(a)		(29,829,766)		(29,837,066)
: Other Public Grants	11.(a)		(513,417)		(513,417)
			<u>6,860,702</u>		<u>7,052,388</u>
Other fixed assets	11.(b)		73,802		67,410
			<u>6,934,504</u>		<u>7,119,798</u>
Negative Goodwill	22.		(26,693)		(28,175)
<b>CURRENT ASSETS</b>					
Debtors	13.	123,572		102,124	
Cash at bank and in hand		2,187,660		1,876,777	
			<u>2,311,232</u>		<u>1,978,901</u>
<b>CREDITORS: Amounts falling due within one year</b>	14.	(604,370)		(521,317)	
<b>NET CURRENT ASSETS</b>			<u>1,706,862</u>		<u>1,457,584</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>8,614,673</u>		<u>8,549,207</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	15.		(5,434,738)		(5,686,953)
<b>NET ASSETS</b>			<u>3,179,935</u>		<u>2,862,254</u>
<b>CAPITAL AND RESERVES</b>					
Share Capital	17.		319		327
Designated Reserves	18.(a)		3,088,873		2,850,605
Revenue Reserves	18.(b)		90,743		11,322
			<u>3,179,935</u>		<u>2,862,254</u>

The Financial Statements were approved by the Management Committee and signed on their behalf on 7th August 2012.

  
Chairperson

  
Vice-Chairperson

  
Secretary

PINEVIEW HOUSING ASSOCIATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED  
31st MARCH 2012

	Notes	2012	2011
		£	£
<b>Net Cash Inflow from Operating Activities</b>	16.	742,896	694,820
<b>Returns on Investment and Servicing of Finance</b>			
Interest Received		33,825	23,474
Interest Paid		(171,822)	(175,064)
<b>Net Cash Outflow from Investment and Servicing of Finance</b>		(137,997)	(151,590)
<b>Capital Expenditure and Financial Investment</b>			
Acquisition and Construction of Properties		(23,420)	(52,615)
Purchase of Other Fixed Assets		(22,570)	(1,797)
Social Housing Grant Received		-	23,965
Social Housing Grant Repaid		-	(32,406)
Proceeds on Disposal of Properties		-	44,784
<b>Net Cash Outflow from Capital Expenditure and Financial Investment</b>		(45,990)	(18,069)
<b>Net Cash Inflow before use of Liquid Resources and Financing</b>		558,909	525,161
<b>Financing</b>			
Loan Principal Repayments		(248,036)	(280,895)
Share Capital Issued		10	3
<b>Net Cash Outflow from Financing</b>		(248,026)	(280,892)
<b>Increase in Cash</b>	16.	<u>310,883</u>	<u>244,269</u>

# PINEVIEW HOUSING ASSOCIATION LIMITED

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## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

### 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 2010, 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

##### **Retirement Benefits**

The Association participates in the Scottish Housing Association 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. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 11. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

<i>Component</i>	<i>Useful Economic Life</i>
Kitchens	15 years
Bathrooms	30 years
Boilers	15 years
Radiators	30 years
Windows	35 years
External Doors	20 years
Internal Doors	30 years
Rewiring	30 years
Structure	50 years

# PINEVIEW HOUSING ASSOCIATION LIMITED

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## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

##### **Depreciation And Impairment Of Other Fixed Assets**

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

Office Premises	- 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 attributed to individual components is written off to the Income and Expenditure Account when these components are replaced.

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

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

##### **Sales Of Housing Properties**

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

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

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

# PINEVIEW HOUSING ASSOCIATION LIMITED

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## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

##### **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 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 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.

##### **Service Charge Sinking Funds**

The Association deposits part of its service charge income in a sinking fund bank account in order to meet future obligations.

##### **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 2012

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Notes	2012			2011		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Social Lettings	3.	1,999,194	1,508,879	490,315	1,852,559	1,387,702	464,857
Other Activities	4.	118,035	154,146	(36,111)	50,179	76,066	(25,887)
<b>Total</b>		<b>2,117,229</b>	<b>1,663,025</b>	<b>454,204</b>	<b>1,902,738</b>	<b>1,463,768</b>	<b>438,970</b>

3. PARTICULARS OF INCOME & EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing £	Supported Housing £	Shared ownership £	2012		2011	
				2012 Total £	2011 Total £	2012 Total £	2011 Total £
<b>Income from Lettings</b>							
Rent Receivable Net of Identifiable Service Charges	1,763,599	20,970	35,193	1,819,762	1,712,335		
Service Charges Receivable	104,353	19,229	19,208	142,790	139,855		
<b>Gross Rents Receivable</b>	<b>1,867,952</b>	<b>40,199</b>	<b>54,401</b>	<b>1,962,552</b>	<b>1,852,190</b>		
Less: Rent losses from voids	1,554	-	-	1,554	2,664		
<b>Net Rents Receivable</b>	<b>1,866,398</b>	<b>40,199</b>	<b>54,401</b>	<b>1,960,998</b>	<b>1,849,526</b>		
Revenue Grants from Scottish Ministers	38,196	-	-	38,196	-		
Revenue Grants From Local Authorities and Other Agencies	-	-	-	-	3,033		
<b>Total Income From Social Letting</b>	<b>1,904,594</b>	<b>40,199</b>	<b>54,401</b>	<b>1,999,194</b>	<b>1,852,559</b>		
<b>Expenditure on Social Letting Activities</b>							
Service Costs	104,353	19,229	19,208	142,790	139,855		
Management and maintenance administration costs	681,287	14,662	19,841	715,790	646,041		
Reactive Maintenance	188,240	-	-	188,240	132,520		
Bad Debts - Rents and Service Charges	18,570	-	-	18,570	(6,635)		
Planned and Cyclical Maintenance, including Major Repairs	228,383	-	-	228,383	259,218		
Depreciation of Social Housing	210,408	-	4,698	215,106	216,703		
<b>Operating Costs of Social Letting</b>	<b>1,431,241</b>	<b>33,891</b>	<b>43,747</b>	<b>1,508,879</b>	<b>1,387,702</b>		
<b>Operating Surplus on Social Letting Activities</b>	<b>473,353</b>	<b>6,308</b>	<b>10,654</b>	<b>490,315</b>	<b>464,857</b>		
<b>2011 (as restated)</b>	<b>450,104</b>	<b>5,951</b>	<b>8,802</b>				

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

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) 2012	Operating Surplus / (Deficit) 2011
	£	£	£	£	£	£	£	£	£
Wider Role Activities	67,247	-	-	-	67,247	-	85,628	(18,381)	(4,460)
Support Activities	-	-	39,922	-	39,922	-	39,870	52	-
Other Income/Expenditure - Welfare Rights	-	-	-	-	-	-	5,264	(5,264)	(3,411)
Services - Other Owners	-	-	-	10,866	10,866	-	10,866	-	-
Rechargeable Repair - Bad Debts	-	-	-	-	-	-	12,518	(12,518)	(18,016)
<b>Total From Other Activities</b>	<b>67,247</b>	<b>-</b>	<b>39,922</b>	<b>10,866</b>	<b>118,035</b>	<b>-</b>	<b>154,146</b>	<b>(36,111)</b>	<b>(25,887)</b>
<b>2011</b>	<b>-</b>	<b>-</b>	<b>39,521</b>	<b>10,658</b>	<b>50,179</b>	<b>18,016</b>	<b>58,050</b>	<b>(25,887)</b>	<b>-</b>

# PINEVIEW HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 5. OFFICERS' EMOLUMENTS

	2012	2011
The Officers are defined in s74 of the Industrial and Provident Societies Act 1965 as the members of the Management Committee, managers or servants of the Association.	£	£

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

Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>2,515</u>	<u>7,460</u>
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Emoluments payable to Chief Executive (excluding pension contributions)	<u>56,309</u>	<u>53,954</u>
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#### 6. EMPLOYEE INFORMATION

	2012	2011
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	<u>12</u>	<u>15</u>

The average total number of Employees employed during the year was	<u>12</u>	<u>15</u>
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Staff Costs were:	£	£
Wages and Salaries	438,918	391,237
Social Security Costs	40,535	33,536
Other Pension Costs	44,108	44,711
	<u>523,561</u>	<u>424,773</u>

# PINEVIEW HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 7. GAIN ON SALE OF HOUSING STOCK

	2012	2011
	£	£
Sales Proceeds	-	44,784
Cost of Sales	-	42,352
Gain On Sale Of Housing Stock	<u>-</u>	<u>2,432</u>

#### 8. INTEREST PAYABLE

	2012	2011
	£	£
On Bank Loans & Overdrafts	<u>171,822</u>	<u>175,064</u>

#### 9. SURPLUS FOR YEAR

	2012	2011
	£	£
Surplus on Ordinary Activities before Taxation is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	231,284	232,905
Auditors' Remuneration - Audit Services	8,730	6,500
Operating Lease Rentals - Land & Buildings	-	1,332
Operating Lease Rentals - Other	5,717	3,867
Gain on sale of fixed assets	<u>-</u>	<u>4,694</u>

#### 10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

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 2012**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11. TANGIBLE FIXED ASSETS**

a) Housing Properties	Housing Properties Held for Letting £	Completed Shared Ownership Properties £	Total £
<b>COST</b>			
As at 1st April 2011- restated	38,116,536	1,289,923	39,406,459
Additions	23,420	-	23,420
Disposals	(9,984)	-	(9,984)
Schemes Completed	-	-	-
As at 31st March 2012	<u>38,129,972</u>	<u>1,289,923</u>	<u>39,419,895</u>
<b>DEPRECIATION</b>			
As at 1st April 2011- restated	1,950,060	53,528	2,003,588
Charge for Year	210,408	4,698	215,106
Disposals	(2,684)	-	(2,684)
As at 31st March 2012	<u>2,157,784</u>	<u>58,226</u>	<u>2,216,010</u>
<b>SOCIAL HOUSING GRANT</b>			
As at 1st April 2011- restated	28,795,930	1,041,136	29,837,066
Additions	-	-	-
Disposals	(7,300)	-	(7,300)
Schemes Completed	-	-	-
As at 31st March 2012	<u>28,788,630</u>	<u>1,041,136</u>	<u>29,829,766</u>
<b>OTHER CAPITAL GRANTS</b>			
As at 1st April 2011- restated	513,417	-	513,417
Additions	-	-	-
Disposals	-	-	-
Schemes Completed	-	-	-
As at 31st March 2012	<u>513,417</u>	<u>-</u>	<u>513,417</u>
<b>NET BOOK VALUE</b>			
As at 31st March 2012	<u>6,670,141</u>	<u>190,561</u>	<u>6,860,702</u>
As at 31st March 2011	<u>6,857,129</u>	<u>195,259</u>	<u>7,052,388</u>

Additions to housing properties includes capitalised development administration costs of £0 (2011 - £2179) and capitalised major repair costs to existing properties of £nil (2011 £nil)

All land and housing properties are freehold.

**PINEVIEW HOUSING ASSOCIATION LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11. TANGIBLE FIXED ASSETS (Continued)**

b) Other Tangible Assets	Office Premises £	Furniture & Equipment £	Total £
<b>COST</b>			
As at 1st April 2011- restated	150,000	94,522	244,522
Additions	-	22,570	22,570
Eliminated on Disposals	-	-	-
As at 31st March 2012	<u>150,000</u>	<u>117,092</u>	<u>267,092</u>
<b>GRANTS RECEIVED</b>			
As at 1st April 2011- restated	-	-	-
Received in year	-	-	-
Repaid on Disposal	-	-	-
As at 31st March 2012	<u>-</u>	<u>-</u>	<u>-</u>
<b>AGGREGATE DEPRECIATION</b>			
As at 1st April 2011- restated	101,250	75,862	177,112
Charge for year	1,250	14,928	16,178
Eliminated on disposal	-	-	-
As at 31st March 2012	<u>102,500</u>	<u>90,790</u>	<u>193,290</u>
<b>NET BOOK VALUE</b>			
As at 31st March 2012	<u>47,500</u>	<u>26,302</u>	<u>73,802</u>
As at 31st March 2011	<u>48,750</u>	<u>18,660</u>	<u>67,410</u>

**12. COMMITMENTS UNDER OPERATING LEASES**

At the year end, the annual commitments under operating leases were as follows:-	2012 £	2011 £
<b>Other</b>		
Expiring within one year	2,203	1,361
Expiring between two and five years	3,664	2,203
Expiring in over five years	-	2,122
	<u>-</u>	<u>2,122</u>

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. DEBTORS

	2012	2011
	£	£
Arrears of Rent & Service Charges	74,767	72,871
Less: Provision for Doubtful Debts	(53,013)	(45,303)
	<u>21,754</u>	<u>27,568</u>
Other Debtors	101,818	74,556
	<u>123,572</u>	<u>102,124</u>

14. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Bank Overdrafts (secured)	-	-
Housing Loans	260,004	255,825
Trade Creditors	47,247	20,585
Rent in Advance	56,327	44,517
Other Taxation and Social Security	9,953	9,931
Other Creditors	140,042	135,118
Accruals and Deferred Income	90,797	55,341
	<u>604,370</u>	<u>521,317</u>

At the balance sheet date there were pension contributions outstanding of £3,667 (2011 £5,328)

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

	2012	2011
	£	£
Housing Loans	<u>5,434,738</u>	<u>5,686,953</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	260,004	255,825
Between one and two years	269,025	265,504
Between two and five years	869,512	856,566
In five years or more	4,296,201	4,564,883
	<u>5,694,742</u>	<u>5,942,778</u>
Less: Amount shown in Current Liabilities	260,004	255,825
	<u>5,434,738</u>	<u>5,686,953</u>

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. CASH FLOW STATEMENT

<i>Reconciliation of operating surplus to net cash inflow from operating activities</i>	2012 £	2011 £
Operating Surplus	454,204	438,970
Depreciation	231,284	232,905
Change in Debtors	(21,448)	4,595
Change in Creditors	78,874	13,671
Gain on sale of fixed assets	-	4,694
Share Capital Written Off	(18)	(15)
Net Cash Inflow from Operating Activities	<u>742,896</u>	<u>694,820</u>

<i>Reconciliation of net cash flow to movement in net debt</i>	2012 £	£	2011 £	£
Increase in Cash	310,883		244,269	
Cash flow from change in debt	<u>248,036</u>		<u>280,895</u>	
Movement in net debt during year		558,919		525,164
Net debt at 1st April 2011		<u>(4,066,001)</u>		<u>(4,591,165)</u>
Net debt at 31st March 2012		<u><u>(3,507,082)</u></u>		<u><u>(4,066,001)</u></u>

<i>Analysis of changes in net debt</i>	At 01.04.11 £	Cash Flows £	Other Changes £	At 31.03.12 £
Cash at bank and in hand	<u>1,876,777</u>	<u>310,883</u>		<u>2,187,660</u>
Liquid Resources	1,876,777	310,883		2,187,660
Debt: Due within one year	-	-		-
Due after more than one year	(255,825)	248,036	(252,215)	(260,004)
	<u>(5,686,953)</u>	<u>-</u>	<u>252,215</u>	<u>(5,434,738)</u>
Net Debt	<u><u>(4,066,001)</u></u>	<u><u>558,919</u></u>	<u><u>-</u></u>	<u><u>(3,507,082)</u></u>



# PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 17. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2011	327
Issued in year	10
Cancelled in year	(18)
At 31st March 2012	<u>319</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.

## 18. RESERVES

(a) Designated Reserves	Major	Total
	Repairs	£
At 1st April 2011	2,850,605	2,850,605
Transfer to / (from) Revenue Reserves	238,268	238,268
At 31st March 2012	<u>3,088,873</u>	<u>3,088,873</u>

(b) Revenue Reserves	Total
	£
At 1st April 2011 (as restated)	11,322
Surplus for the year	317,689
Transfer (to) / from Designated Reserves	(238,268)
At 31st March 2012	<u>90,743</u>

## 19. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2012	2011
	No.	No.
General Needs - New Build	441	441
- Rehabilitation	97	97
Shared Ownership	24	24
Supported Housing	1	1
	<u>563</u>	<u>563</u>

# PINEVIEW HOUSING ASSOCIATION LIMITED

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## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 20. RELATED PARTY TRANSACTIONS

Members of the Management Committee are related parties of the Association as defined by

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

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.

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

#### 21. NEGATIVE GOODWILL

	2012
	£
Balance as at 1st April	28,175
Release during the year	(1,482)
	<hr/>
As at 31st March 2012	26,693
	<hr/>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 22. 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 (CARE) with a 1/60th accrual rate
- Career average revalued earnings (CARE) with a 1/70th accrual rate
- Career average revalued earnings (CARE) with a 1/80th accrual rate
- Career average revalued earnings (CARE) 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.

Pineview Housing Association Limited has elected to operate the CARE with a 1/120th accrual rate benefit structure for active members as at 31st March 2011 and CARE with a 1/120th accrual rate benefit structure for new entrants from 1st April 2011.

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 4.7% of pensionable salaries. Member contributions were 4.7% .

As at the balance sheet date there were 4 active members of the Scheme employed by Pineview Housing Association Limited. The annual pensionable payroll in respect of these members was £196,702. 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 2012

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 22. RETIREMENT BENEFIT OBLIGATIONS (Continued)

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

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30th September 2011. 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 £341 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £207 million, equivalent to a past service funding level of 62.2%.

#### 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 2012

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 22. RETIREMENT BENEFIT OBLIGATIONS (Continued)

##### Valuation Results

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

<i>Benefit Structure</i>	<i>Long-term joint contribution rate (% of pensionable)</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.