

Financial Statements

for the year ended 31 March 2013

Company Number: SC329031 Charity Number: SC038584

Property Factor Registration Number: PF000152

Scottish Housing Regulator Registered Number: 362



River Clyde Homes

Financial Statements

for the year ended 31 March 2013

Contents	Page
Report of the Board	3 - 21
Statement on Board Responsibilities	22
Board Statement on Internal Financial Controls	23 - 24
Auditors' Report	25 - 26
Income and Expenditure Account	27
Statement of Total Recognised Surpluses and Deficits	27
Balance Sheet	28
Cash Flow Statement	29
Notes to the Financial Statements	30-51

Registration Particulars:

Register of Companies	Companies Act 2006 Registered Number: SC329031
Scottish Housing Regulator	Housing (Scotland) Act 2010 Registration Number: 362
Office of the Scottish Charity Regulator	Charity and Trustee Investment Act (Scotland) 2005 Scottish Charity Number: SC038584

Bankers

Royal Bank of Scotland
Kirkstane House
139 St Vincent Street
Glasgow
G2 5JF

Solicitors

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

Auditors

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

RIVER CLYDE HOMES
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2013

Introduction

The Board present their Annual Report together with the audited accounts for the year ended 31 March 2013. The Association was incorporated on 9 August 2007 and it was registered as a Registered Social Landlord on 3 December 2007. These accounts cover the year 1 April 2012 to 31 March 2013.

Principal Office and Registered Address

Roxburgh House
102-112 Roxburgh Street
Greenock
PA15 4JT

Principal Activity

The principal activity of the Company is the provision of social housing within the Inverclyde area. At transfer the Association received 7,870 houses from Inverclyde Council as a result of a whole stock transfer on 3 December 2007; at 31 March 2012 the current stock is 6,417 (484 of which are closed pending demolition). In undertaking this activity the Company aims to:

- Provide quality homes and excellent services for all its customers;
- Ensure that its tenancies, homes and the neighbourhoods in which it operates are sustainable;
- Maximise the opportunities for customer involvement and influence in determining the priorities and decisions of the Company;
- Work in partnership with key agencies, statutory organisations, community and voluntary groups to help realise the shared vision and strategic objectives for Inverclyde.

Organisational Structure and Decision Making

The organisational structure consists of a Board of Management consisting of volunteer tenants, community members and council nominees. The Board is supported by a Chief Executive and wider Executive Management Team together with a range of specialist staff. The operation of the staff is governed by a full range of policies and regulations.

RIVER CLYDE HOMES

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 MARCH 2013

The Members of the Board of the Company during the period to 31 March 2013 were as follows:

Alex Bowers	Resigned – Oct 12	Tenant
Wilson Dunlop		Tenant
Katrina Anderson (Vice Chair)		Tenant
Alan Duncan		Community Member
Kennedy Foster	Resigned – Oct 12	Community Member
Mary Moulden		Tenant
Elizabeth Grant		Tenant
Stephen McCabe	Appointed – Jun 12	Councillor – Inverclyde Council
Joe McIlwee	Appointed – Jun 12	Councillor – Inverclyde Council
Ronald Ahlfeld	Appointed – Jun 12	Councillor – Inverclyde Council
Christopher McEleny	Appointed – Jun 12	Councillor – Inverclyde Council
Ewan Fraser	Appointed – Jun 12	Community Member
Lynn Wassall (Chair)	Appointed – Jun 12	Community Member
Linda Brown	Appointed – Jun 12	Community Member

All tenancies for the above tenant members of the Board are on Scottish Secure Tenancy Agreements in terms of the Housing (Scotland) Act 2010 and these members cannot use their position on the Board to their advantage. Any transactions with Inverclyde Council are made at arm's length, on normal commercial terms and the Board members who are also councillors cannot use their position on the Board to their or the council's advantage.

The company is limited by guarantee and does not have a share capital. The liability of the members is limited to £1 each. The Executive Officers of the Company hold no interest in the company's share capital and although not having the legal status of "director" they act as Executives within the authority delegated by the Board. It is the responsibility of the Board to undertake the strategy, setting of policy and overall direction for the Company. They also monitor the operational activities of the Company. The members of the Board are unpaid.

The Executive Officers of the Company during the period to 31 March 2013 were as follows:

Chief Executive	Kevin Scarlett	In post
Director of Corporate Strategy	James Aird	In post
Director of Development & Property Services	Willie Croft	In post

RIVER CLYDE HOMES
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2013

The Executive Management Team of the Company (as listed on page 4) are responsible for achieving the vision, strategic outcomes, priorities and plans of the Board confirmed in its Business Plan. The Board is responsible to the wider membership; as at 31 March 2013, River Clyde Homes (RCH) had 191 members. Board members serve in a voluntary capacity, and it is recognised that the Executive Management Team must ensure that they set and achieve high standards of professionalism, performance and ambition in their work. Kevin Scarlett was appointed by the Board in December 2012 as the Company's new Chief Executive. Previously Chief Executive of the nationally acclaimed Salix Homes, Kevin has considerable experience of leading large and successful social housing organisations. The Executive Management Team was strengthened further with the appointment of Willie Croft as Director of Property and Development Services in November 2012.

The Board has seen significant change in its membership during 2012 as can be seen from the table on page 4. The Board has seen the addition of new members with a range of relevant knowledge, skills and experience. Lynn Wassell was appointed as the Chair of the Board, and Ewan Fraser was appointed as Chair of the Audit Committee in September 2012.

ITS VISION, STRATEGY AND PLANS

This is the fifth full year of operation since the Company commenced trading on 3 December 2007. It has perhaps been its most challenging year given the changes in Board membership, changes within the Executive Management Team, and continued areas of poor operational performance. However the new Board, working with the executive team, have 'hit the ground running'.

Since the Annual General Meeting (AGM) in September the Board has set about a major review of the initial vision, values, strategic outcomes and plans of the company, developed in the run up to the transfer ballot in 2006. The Board is currently consulting with customers, staff and partners on a new 3 year Business Plan for River Clyde Homes, including:

- A new vision:

 'Pride in our homes and services; to achieve excellence in everything we do'
- Refreshed values:

 Customer first, performance driven
 Acting with integrity, being professional
 Respect for each other, our partners, our environment
 Embrace innovation, challenge expectations
 Spend our money wisely
- 7 new strategic objectives:
 1. An excellent customer experience
 2. Sustainable homes and places

RIVER CLYDE HOMES
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2013

3. Energy efficiency and reduced fuel poverty
4. Safer and better supported customers
5. An efficient company
6. A growing company
7. A diverse, committed and empowered workforce

In addition the Board has initiated a major 'Steps to Excellence' organisational change programme. 'Steps to Excellence' has begun to introduce a number of measures that will ultimately ensure achievement of the Board's vision and strategic outcomes including:

- An Excellent Governance Improvement Plan
- A review of key strategies and plans including the Asset Management Plan and Sustainability Strategy
- A major review of staffing resources, management and service delivery arrangements entitled 'Right Person, Right Place, Right Time'
- A review of office accommodation and customer access facilities
- The development and implementation of a new performance management framework including a more robust approach to service improvement planning and delivery
- The development and implementation of a number of new arrangements to support greater customer involvement and a customer led scrutiny of the company
- The establishment of a new River Clyde Academy to support and develop the skills and capacity of all staff

The 'Steps to Excellence' change programme will be the primary focus of the company for the next 12 months; the new Business Plan will be approved by the Board during 2013 and will be for the period 2014 – 2017.

The new Board, working with the Executive Management Team, has also prioritised the development of good working relationships and has met with a range of partners including Inverclyde Council, the Inverclyde Alliance, the Scottish Government, the Scottish Housing Regulator, sector partners including the Scottish Federation of Housing Associations, the Chartered Institute of Housing and HouseMark, as well as a range of statutory, community and customer groups within Inverclyde.

RIVER CLYDE HOMES
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2013

FINANCIAL REVIEW

Overview

The finances of the organisation are governed by the detail contained in the Business Plan which was agreed by the Board, Inverclyde Council and the Scottish Government as part of the Transfer Agreement. Many aspects of the Business Plan present the organisation with challenges that impact upon the forecasts that shape the cash flow and financial capacity of the organisation. The Business Plan is reviewed regularly and approved by the Board annually and is linked to the budget and Financial Covenants.

As part of the Transfer Agreement the assets were transferred to RCH at a negative value, which constituted the subsidy due from the Scottish Government. This subsidy amounted to £53.7m in real terms and is paid in annual instalments to assist with the major investment programme to bring the sustainable stock to the Scottish Housing Quality Standard (SHQS). The major investment programme consists of demolition of non-sustainable stock and investment in the sustainable stock. This investment and demolition has to be completed by 2015/16 as this is the date that the Scottish Government require that all social housing should meet the SHQS.

The remaining cost of demolition and investment to meet SHQS is estimated in the business plan to be £50.9m with the remaining grant subsidy from the Scottish Government of £6.2m leaving a balance to be funded of £44.7m, which will be funded from a combination of rental income and loans. This year the SHQS target of 54% was exceeded as RCH attained 59.5%, the major expenditure was mainly on internal modernisations.

In addition to investment in existing stock, there is an ambitious new build programme which is progressing in line with expectations. The estimated remaining cost of this new build programme is £2.6m with no Housing Association Grant left to claim. This will be funded from loans.

During this year RCH handed over to tenants 56 properties at the South-West Greenock development, with a further 58 due to be handed over during 2013/14. 42 of those remaining are in the Banff Road area where we gained a successful appeal to the Scottish Government Planning Reporter against the original decision to refuse planning permission.

To fund the combined estimated loan debt portfolio a facility has been agreed with a consortium of financial institutions amounting to a maximum loan facility of £65m.

Income & Expenditure

Turnover of £24.508m (2012: £25.487m) relates mainly to the income from the letting of properties which accounts for £23.721m (2012: £21.868m) of this total. The balance of income of £0.787m (2012: £3.619m) relates to support activities, BIG lottery fund and developments and improvements for sale.

The Transfer Agreement and the Business Plan promised the Tenants that rent would only increase in line with the rate of inflation for the first 5 years. This period of time expired on 31st March 2013 and during 2012/13 rent consultation events took place which resulted in an agreed new rent restructure and an above RPI increase which takes affect from 1st April 2013.

RIVER CLYDE HOMES
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2013

Total Operating Expenditure was £20.992m (2012: £16.478m), consisting of:

Management and maintenance admin costs £12.147m (2012: £10.020m)
Planned and cyclical maintenance £1.891m (2012: £0.695m) (major repairs expenditure which was capitalised is detailed in note 3 on page 35)
Reactive maintenance costs £4.838m (2012: £4.013m)
Other costs £2.116m (2012: £1.750m)

Component accounting

RCH changed its accounting policy on capitalisation and depreciation by adopting component accounting in 2010/11. Component accounting is where a housing property with several different components with substantially different useful economic lives, has depreciation charged individually for each of its major components over that component's useful economic life. The components which RCH has used are kitchens, bathrooms, central heating systems, mechanical systems, lifts, windows and doors, structure, electrics and roofs. In previous years some of the expenditure on these items was expensed as major repairs. The adjustments resulting from this were included in 2010/11 financial statements.

Balance Sheet

The housing stock was transferred to RCH at £nil value. However as the new build programme has progressed, the net book value of the housing properties held for letting or construction has increased to £36.548m. RCH owns one office building in Port Glasgow and this was re-valued in December 2012 by DVS Property Services (Property Specialist for the Public Sector) at £0.060m. This building had previously been valued by DM Hall, at a value of £0.23m in June 2008. This building is now unoccupied but still owned by RCH. There are no plans to use this building in the future and it has been cleared and is currently being marketed.

The debtors balance is £15,224m of which the gross rent debtor accounts for £2.558m. As part of the transfer agreement RCH purchased the rent debt for current Tenants £0.967m at the net book value £0.125m and the former Tenants arrears of £1.7m at no cost. Therefore, the former Tenants arrears at the time of transfer are fully provided for in the accounts. The current Tenant arrears, and the arrears which have become former since transfer, have a provision for bad debt based on the value of the debt.

The cash in hand at the year end is £4.868m (2012: £3.495m).

Reserves

Note 12 on pages 47 and 48 details the reserve position at the year end.

Revenue Reserve

From a surplus of £3.045m in the year, £0.726m was transferred to designated reserves, and £0.001m transferred from the revaluation reserve.

RIVER CLYDE HOMES
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2013

Designated Reserves

As part of the Transfer Agreement, the first £1m of any potential indemnity claim will, until 2015/16 be funded from the VAT receipts flowing from the VAT arrangement. It was therefore prudent to create a designated reserve solely for this purpose in the accounts and this was created in 2007/08. If this reserve is not called upon by 2015/16 then the proceeds can be used for general expenditure within RCH.

Reserves have been earmarked as follows:-

- To front potential indemnity claim as detailed above
 - £1.0m in 2007/08
 - (£0.126m) in 2012/13 – Release of New Build Indemnity Fund Lot 2
- To front fund the regeneration and investment programmes which will be released by 2015/16
 - £0.5m in 2007/08
 - £1.0m in 2008/09
- To cover the cost of future environmental works, development, factoring, service improvement, the cost of employing apprentices and to fund holding investment, the majority of which will be released by 2015/16
 - £1.520m in 2008/09
 - £2.244m in 2009/10
 - £1.175m in 2010/11
 - £0.553m in 2011/12
 - £1.083m in 2012/13
- To cover the future non cash cost of depreciation due to the adoption of component accounting which was not originally expected in the business plan on inception. This will be released over the life of the assets with approximately £3m of this being released in the next 5 years
 - £10.188m in 2010/11
 - (£0.623m) in 2011/12
 - (£0.624m) in 2012/13 leaving balance of £8.941m
- To cover the future cost of past service deficit from Scottish Housing Association Pension Scheme. This will be released by 2026/27 (Note 10)
 - £0.267m in 2012/13

Cash Flows

The Cash Flow statement is shown on page 29. The net cash inflows from operating activities were £5.779m. The principal cash outflows were operating costs and investment.

RIVER CLYDE HOMES
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2013

Financing and Liquidity

In April 2011, to minimise the exposure to interest rate variations RCH entered into a £48m hedging agreement, where a predetermined amount will be borrowed every April at rates which will be fixed until 2029. In 2013/14 the amount required to be drawn down based on this hedging agreement was £15.0m. During the year no additional short-term borrowing was required. In April 2013 a further £5.8m will be borrowed based on the hedging agreement.

The 2012/13 cash flow was managed so that RCH would fund the current year's activities with the minimal amount of borrowing required. In 2013/14, as the investment programme progresses, there will be recourse to borrow larger sums to meet the RCH commitment to fund the share of the programme not met from grant.

Credit Payment Policy

The Company's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The average payment period is 28 days.

Capital Structure and Treasury Management

RCH operations are funded on the basis of a 30 year Business Plan which has to be reviewed annually. The funding is driven by a loan facility by a consortium of financial institutions and grants provided by the Scottish Government. The funding facility from the financial institutions allows a maximum loan drawdown of £65m with the remaining funding to achieve the targets of the investment programme, the new build programme and the day to day running of RCH coming from the Scottish Government and RCH's internal resources. The business plan assumes that the peak debt will be reached in year 2018 and repaid by year 2029.

The Company, as a matter of policy, does not enter into transactions of a speculative nature.

Planning for the future

RCH will review its 30 year Business Plan annually which includes all the long term plans for the business over a 30 year horizon. This is subject to review and amendment every year as real issues emerge and the financial climate changes so too must the Business Plan evolve to meet those challenges.

The Business Plan is divided into component parts and includes operating costs, repairs, investment and new build expenditure. This is funded via rental income, grants and loan debt.

The key assumptions underpinning the 30 year plan are the demolition of non-sustainable stock, investment in houses to meet the Scottish Housing Quality Standard and the construction of new build houses for rent and low cost ownership which is determined by RCH's asset management strategy.

RIVER CLYDE HOMES
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2013

Risk Management

The following key principles outline River Clyde Homes' approach to risk management and internal control:

- The Board of Management has responsibility for overseeing risk management within the organisation as a whole.
- An open and receptive approach to solving risk problems is adopted by the Board of Management.
- The Risk Management Group supports, advises and implements policies approved by the Board of Management.
- The organisation makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.
- Responsible Officers are required to encourage good risk management practice within their area.
- Key risk indicators will be identified and closely monitored on a regular basis.

The system of internal control incorporates risk management. This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the organisation to respond to a variety of operational, financial and commercial risks.

The organisation encourages a culture that embraces risk at the heart of decision making and promotes this throughout the organisation so that risk appreciation and consideration is a part of normal work.

The risk register is reviewed and reported via the Audit Committee, with ownership of each risk being attached to a specific Head of Service Manager. The top 5 risks for River Clyde Homes are:-

1. Loss of Income due to significant increases in arrears, particularly due to impact of Welfare Reform and ineffective void management.
2. Bank re-pricing loan facility due to a covenant breach.
3. Governance failure due to lack of clear strategic leadership from the Board and executive team which would lead to poor decisions and reactive responses.
4. Failure to achieve cultural change due to change management processes being poorly executed and culture change (towards greater customer/performance orientation) not achieved.
5. Failure to deliver Business Plan savings.

RIVER CLYDE HOMES
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2013

OPERATING REVIEW

HOUSING MANAGEMENT

Key Performance Indicators (KPIs)

RCH's KPIs are reviewed quarterly by the Board and included in the Annual Performance & Statistical Return (APSR) to the Scottish Housing Regulator.

	<u>2012/13</u>	<u>2011/12</u>	<u>2010/11</u>	<u>2009/10</u>
New Lets	54	202	109	N/A
Re-lets	447	413	460	542
Average Re-let days	94	155	157	127
% of new tenancies sustained > 1 year	95%	87%	88%	80%
% of non-technical arrears	4.56%	4.7%	4.03%	4.08%

Rent consultation

For the first 5 years following transfer the annual rent increase was limited to an RPI only rent increase, which formed part of the rent guarantee made to Tenants, as part of the transfer agreement.

The rent increase guarantee expired in March 2013 and as a consequence a different approach was adopted regarding consultation on the proposed rent increase of 5.7%. Rather than a single half day rent conference workshops were held in Greenock and Port Glasgow over 5 days between 30/1 and 5/2, and over 500 tenants attended the events. A meeting with FITRA was also held to discuss the proposed increase. The general feedback was that this level of increase would be supported providing it enabled RCH to improve services such as day to day repairs, our response to anti-social behaviour, communications, and the way properties are let.

Sheltered Housing – Service Charges

Our Sheltered Housing Service is funded by Supporting People grant and service charges levied to tenants. Historically this service has been run at a loss which can be seen in Note 3b (Support Activities). Tenant consultation took place during 2012/13 to agree the desired level of service which the tenants were willing to pay for. Agreement was reached that the level of service should remain the same and should be self financing and as such services charges would be increased to cover this. To minimise the impact of these increases it was agreed to phase them in over a 3 year period, therefore this support activity will be fully funded by the end of 2015/16.

RIVER CLYDE HOMES
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2013

Grand Central Savings

Our partnership with Grand Central Savings continues to develop, and it is anticipated that we will shortly sign a Service Level Agreement with them which will secure funding from us for the next 12 months in return for the delivery of key outcomes which will help RCH to respond to Welfare Reform. We have also submitted a number of applications for funding to the Lottery and others which will assist GCS to deliver its services in Greenock and hopefully expanding them into Port Glasgow and more widely throughout Inverclyde. The branch in Greenock now has more than 1000 customers and a new service – the Homeguard Account – has recently been developed.

Customer Contact Centre

Throughout the last year the 'One Stop Shop' continues to develop with the majority of enquiries now resolved at the first point of contact. The contact centre team continue to receive the majority of incoming calls, including rent and letting enquiries, account balances, investment works, and neighbourhood issues in addition to responsive repairs. Only where the enquiry is complex or requires specialist expertise are the calls are passed to another department.

On going training is being carried out to ensure that skills are being updated and further training is being organised to include more training on lettings and common repairs for factored owners in line with new legislation.

The team are assisting with improving the repairs service by increasing the number of '1st time fixes' and have introduced a number of revised practises to enhance the accuracy of repair works being issued and increase the use of the repair appointment system. In addition, pre-Inspection of repairs have been reduced with call handlers carrying out more investigative questioning and diagnosing of repairs. Regular liaison meetings between Housing and HRU have lead to streamlined practices, improved working relationships and communication between both teams.

Performance reporting systems are used for the regular monitoring of calls and performance of call handlers and this information has assisted in improving the service by allowing better management of resource's to meet demand, particularly during busy periods.

The team had consistently achieved a 90% rate of answering incoming calls but this figure has decreased to 87% over the past 4 months due to the non-filling of posts within the customer services team. Despite this, there has not been any significant increase in complaints from customers relating to waiting times.

House Letting

Integrating fully with the Common Housing Register has yet to be achieved despite progress in several areas. A Senior Officer was engaged on a part-time basis for 8 months, training and job shadowing for the Lettings Team was undertaken, two Choice Based Letting pilots undertaken and the full waiting list reviewed. Liaison meetings continue on a regular basis with the Inverclyde Common Housing Register Partners and it is anticipated that more progress towards full integration will be achieved after organisational restructuring.

RIVER CLYDE HOMES
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2013

CORPORATE ISSUES

Attendance at Work

Attendance remained largely positive over the past year. Proactive Occupational Health (OH) services continued to be offered, which included health clinics, health surveillance and mental health awareness training. These were well attended. Management information is reviewed regularly. Data provides a breakdown showing age range, outcome of referral, whether disability was applicable in the view of the OH physician and the reason for referral.

Family friendly benefits

RCH remains committed to supporting work-life balance and recognises the changing demands of family life.

Health and Wellbeing

- Employees were given a range of support materials from the CIPD, ACAS, the Health & Safety Executive (Management Standards in relation to Stress) and SAMH in order to assist with the supportive management of people.
- Twelve Inverclyde residents had voluntary placements, 5 as Business Trainees and 7 within the Maintenance Team. These people were given relevant work experience in order to develop employability skills.
- The Scotland's Mental Health First Aid Course is planned for delivery during 2013.

Awards and recognition

- The Healthy Working Lives Silver Award was achieved, progress was also made towards achieving the Gold Award.
- The Double Tick, positive about disabled people standard was achieved
- The Living Wage Accreditation was achieved.
- A commitment was made to work towards Investors in People accreditation.

Learning Opportunities

RCH remain committed to offering a wide range of learning opportunities for all staff. This has included the provision of;

- Scottish Vocational Qualification Level 4 in Social Care
- Further education within college or university setting
- Evening and twilight classes and distance learning
- Upskilling programmes
- Short courses
- Numerous conferences were attended by members of RCH staff throughout the year, including the Chartered Institute of Housing.

1 employee achieved a Post Graduate Certificate in Employment Law & Practice. 1 employee achieved a Post Graduate Certificate in Construction Project Management. 3 employees achieved the MSc. Management Practice. 1 employee achieved the CMI Introductory Certificate in Management.

RIVER CLYDE HOMES
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2013

A range of further education courses are currently being supported including:-

- BSc Information Technology
- CIMA Certificate in Business Accounting
- CIPS
- LLM Employment Law & Practice
- Post Graduate Diploma in Construction Project Management
- Certificate in Nutritional Advice
- MSc. Human Resource Management
- AAT Level 5 Certificate in Accounting
- Executive MBA
- Payroll Technician Training

The training team also has several books, videos and CD-ROMs available as learning resources for staff.

Partnership

RCH continue to be committed to promoting and maintaining the best relationship with its properties trade union partners through the development of partnership working. Regular meetings of the trade union Partnership Forum took place throughout the year. These meetings were well attended by the 4 recognised trade unions. New terms & conditions of employment were agreed and implemented.

RIVER CLYDE HOMES
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2013

PROPERTY SERVICES

Investment

The Scottish Housing Quality Standard (SHQS) was introduced by the Scottish Government in 2004 and sets a standard which all RSL and local authority housing stock must meet by 2015.

In order to achieve SHQS and as part of the Transfer Agreement, RCH receive an annual grant subsidy from the Scottish Government. The grant received contributes not only to upgrading the sustainable stock to SHQS compliance levels, but also contributes towards the cost of demolishing unsustainable stock.

For the year ending 31 March 2013, the available grant, the actual expenditure and grant claimed are detailed as follows:

	Available Grant	Expenditure	Grant Claimed
Improvements	£7.596m	£10.104m	£7.596m
Demolition	£0.907m	£5.132m	£0.907
Asbestos	£0.725m	£0.381m	£0.381m

There are five key elements to the SHQS, namely as follows:

- Properties must be above the tolerable standard.
- Properties must be free from serious disrepair.
- Properties must be energy efficient.
- Properties must have modern facilities.
- Properties must be healthy, safe and secure.

In-line with the expectations of the Transfer Agreement, as at 31 March 2013, the target was 54% of RCH's stock, RCH can currently report 59.5% of stock complied with the requirements of SHQS.

The work carried out during the year ending 31 March 2013, included the following:

Internal Works – Works were completed in approximately 700 homes in the Inverclyde area including:- Bardrainney, Oronsay, Braeside, Whitecroft, High Carnegie, Slaemuir, Ardmore/Benvue, Belville Street, Branchton, Highholm, Midton, North Maukinhill, Holmscroft, Cartsdyke Court, Lower Larkfield and Upper Larkfield.

The majority of these works incorporated replacement kitchens, bathrooms and electrical circuit replacement.

External Works – Over course of 2012/13 RCH has invested in the external fabric of nearly 600 properties with an additional 200 owner occupied properties. The areas benefiting from external fabric investment were:- Mid-Auchinleck, Westburn Buildings, 270/272 Inverkip Road, Gourrock Downhill, Grosvenor, Larkfield East, Park Farm and Grieve Road Area.

RIVER CLYDE HOMES
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2013

Energy Efficiency – Virtually all of RCH stock has double glazed windows and full central heating systems. An extensive programme carried out in the 10 years prior to stock transfer through the Scottish Government HECA grant award, has ensured the majority of the stock has hot water tank and pipe insulation, loft insulation and a significant number of properties with cavity wall insulation. In the year 2012/13 121 Full heating system replacements and 159 Boiler replacements have been completed. As part of the internal and external works programme, energy efficient elements are being checked and upgraded where required.

Gas Safety

RCH have a legislative obligation to maintain all gas appliances within its properties. This maintenance obligation extends to an annual inspection and service of each appliance, with appropriate certification being issued by a registered Gas Safe engineer. This obligation excludes appliances installed by tenants e.g. gas cookers.

As at March 2013, 100% of applicable appliances had a valid safety certificate. A robust escalation procedure is in place to ensure access to all properties is achieved in advance of the expiry date of the safety certificate. When deemed necessary, this procedure includes forcing access to properties. This process has been a success and has over the course of the year allowed RCH to extend the gas servicing cycle to 11 months up from 10 months which will offer savings over the longer term without compromising quality or legislative requirements.

Asbestos

During 2012/13 there has been further developmental works with our Asbestos Register. This register is fully compliant with the requirements of HSG 264 and the Control of Asbestos Regulations 2012. It provides RCH with the capability to record all information, location, position, use and condition of its asbestos liability and produce risk assessment(s) to inform the management plan. The register is now updated as management actions are taken, however, a further review of RCH's asbestos processes has been undertaken and an action plan formulated to streamline the process and make the approach to asbestos consistent throughout the organisation.

Asset Management System

During 2012/13 significant progress was made with our Asset Management System. RCH completed stock condition survey that has provided a clean data-set to use as the base-line for all planned works going forward. Processes have also been implemented to ensure that project progress is logged in Apex to allow RCH to monitor SHQS compliance throughout the year. Annual stock condition exercises will be undertaken with the aim of striving toward 100% actual stock condition data and therefore eradicating the need to use cloned/assumed data. Again, this improved data will greatly assist with more accurate long-term planning.

The system has been developed further as the Service Inspection Module (S.I.M) has been enabled and our gas servicing programme is now automated through the system which

RIVER CLYDE HOMES
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2013

enables full auditing, programme scheduling, auto-population of access letters and progress monitoring. This module will be developed further to incorporate all of our planned and preventative maintenance inspections for more robust resource planning.

REGENERATION AND BUSINESS DEVELOPMENT

Building for the Future

The first of our properties on sites at Larkfield in Southwest Greenock were handed over for occupation in this year. Our James Watt Dock site remains as one that is being monitored but works remain to be concluded by the seller. During the year it was decided that the blocks in the Peat Road area should be demolished although this site may be developed at some point in the future when economic conditions improve. Going forward it is intended that the strategy for Broomhill will be primarily an investment one and the Investment Team is now forward planning for this area. Towards the end of the financial year constructive talks took place with our partners at Inverclyde Council and the Scottish Government which has led to preliminary, investigative works commencing for a second phase at Woodhall in Port Glasgow.

Port Glasgow and East Greenock

The 336 units here were all built and handed over prior to this financial year but still required to be managed during the year long period after hand-over to ensure that any contractor defects were dealt with.

With the help of a Big Lottery Grant, we were able to get works underway at Woodhall to create the community park development. Volunteers from the local community have been working on this project with us and will be encouraged to continue to do so until the project ends. In addition there has been a number of events held at the park to generate interest in the project and the park itself.

Sticking with Big Lottery projects, funding was secured to create a community garden at Belville Street in East Greenock. This project has been reliant on the demolition of the high flats at Melrose, Peebles and Selkirk Courts which was achieved towards the end of the financial year. The project will move forward during 2013/14.

Southwest Greenock

This development is being built on our behalf by Cruden Building and Renewal Limited. The plan is to provide 126 units (114 for rent and 12 for Shared Equity) to be constructed over 3 sites in the Larkfield area at:

- Cumberland Road – stage 1 comprises 29 units and completed as planned during 2012. Stage 2 comprising 31 units is now underway and 4 of these units were completed during the year
- Banff Road – comprises 42 units and is underway following a successful appeal to the Scottish Government Planning Reporter against the original decision to refuse Planning Permission
- Westmorland Road – all 24 units were completed as planned during the year.

RIVER CLYDE HOMES
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2013

James Watt Dock

The poor state of the housing market and difficulties with mortgage lending combined with the seller's outstanding works has meant that this site was not progressed during 2012/13. Consideration of the site is being reviewed on a regular basis.

Peat Road and Broomhill

A team of design consultants were appointed in May 2011 to consider a masterplan for the Peat Road area and an options appraisal and feasibility study for Broomhill. While the reports themselves are separate documents, due to the geographical proximity of the two areas one team carried out both pieces of work. The study outcomes were reported to this Board during 2012/13.

Demolition

In 2012/13 RCH planned an extensive programme of demolition with in excess of 900 units, across a number of RCH sites. This programme was progressed utilising the various demolition framework contractors and consultants over the course of the year. In total 828 units were demolished during this financial year.

Environmental Improvements

The environmental works programme continued at all RCH sheltered housing complex's and multi storey flatted blocks. Works to establish further scoping requirements, especially at BISF houses in Greenock and Port Glasgow along with other properties at Davidson Drive, have been completed and billed costs been prepared for the design of the required upgrades to the surrounding environment of its properties to meet the Scottish Housing Quality Standard. Resident consultation and liaison has been a large element of the timing of the works to ensure grant sign up from owners and consultation with all affected residents. The framework contractor, Land Engineering, continues to progress various elements of works with high praise from residents at the various locations.

Local Employment Opportunities

River Clyde Homes continues to be a partner in the Inverclyde Construction Forum and Inverclyde Construction Plus. The partnership operates with Inverclyde Council, James Watt College, Job Centre Plus, local business, Skills Development Scotland and Riverside Inverclyde to maximise scope for local employment and success in tendering for contracts in Inverclyde. Significant training has been given to ensure that local unemployed people who are interested in construction are able to compete for arising opportunities, and also that local companies are aware of tender opportunities from River Clyde Homes, and its properties partners, and how to complete procurement paperwork.

Cruden Building and Renewals and their sub-contractors have employed 21 local people this year centered around the Larkfield new build development. These opportunities arose for those who were either long term unemployed or apprenticeships (5 during this project) under the "Target Recruitment and Training" section of the contract. The recruitment involves roles

RIVER CLYDE HOMES

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 MARCH 2013

in construction. In addition, River Clyde Homes' own six apprentices completed their modern apprenticeships during the year.

Through the demolition framework, contractors have recruited 3 local people. These opportunities arose for those who were either long term unemployed or new apprenticeships under the "Target Recruitment and Training" section of the contract. In addition, River Clyde Homes' also has six apprentices have completed their modern apprenticeships.

32 trainees were employed for around six months on the Green Team project. The trainees were taught both hard and soft landscaping skills in Monkton Place sheltered housing complex, the Woodhall Park area and at Heather, Rowan and Thistle Courts in Port Glasgow. The project has been well received by local residents.

Maintenance

During 2012/13, River Clyde Homes received a total of 22,966 repairs orders a fall of 2903 from the previous year, reflective of the trend since transfer with the exception of a storm damage heavy workload in December 2011 and January 2012.

Emergency repairs showed a small increase from 22% to 24% in year which is not a cause for concern at this time.

Performance for jobs completed within target time across all repair categories is shown below

	2008/09	2009/10	2010/11	2011/12	2012/13
Emergency repairs (including callouts)	97.8%	99.7%	98.8%	98.4%	95.2%
Routine repairs (all)	76.4%	78.8%	87.0%	94.2%	82.8%
Repair by appointment*	n/a	n/a	93.4%	73.3%	72.5%

*The appointment kept figures from 2011/12 represent the total of jobs that were completed on the same day, not as previously reported appointment met then completed at a later date.

In line with the improvements in management information referred to above and in order to increase efficiency, RCH has now equipped and trained its craft workforce with palm-top mobile devices. This facilitates mobile working based on real-time issue and completion of work. Significant progress has also been made in issuing suitable appointments for customers and in meeting these appointments.

RIVER CLYDE HOMES
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2013

In line with the new “Steps to Excellence” programme, our key objectives for 2013/14 are to get work “right first time” and to streamline repairs priorities, develop service standards for customers and improve performance on response rates in line with targets agreed set by our Board in March 2013.

Going Concern

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

Information for auditors

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

Auditors

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



20/8/13

Signed on behalf of the Board:

Approved by the Board on: 20 August 2013

RIVER CLYDE HOMES
STATEMENT ON BOARD RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2013

Company law requires the Board to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Company at the end of the period and of the surplus or deficiency for the period then ended.

In preparing those financial statements, the Board is required to:

- select suitable accounting policies, as described on pages 30 to 33, and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Determination of Accounting Requirements – April 2012. The Board is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RIVER CLYDE HOMES

BOARD'S STATEMENT ON INTERNAL FINANCIAL CONTROLS

FOR THE YEAR ENDED 31 MARCH 2013

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

- the reliability of financial information used within the Company or for publication;
- the proper authorisation and recording of transactions;
- the maintenance of proper accounting records; and
- the safeguarding of assets (against unauthorised use or disposition).

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. Key elements include ensuring that;

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Company's assets.
- experienced and suitably qualified staff take responsibility for important business function; annual appraisal procedures have been established to maintain standards of performance.
- forecasts and budgets are prepared regularly which allow the Board and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the period and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures from the Board members.
- the Board reviews reports from their Chief Executive and staff and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed, this includes a general review of the major risks facing the Company.
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.
- the work that has been done on the Steps to Excellent Governance will provide the organisation with a robust and systematic governance framework.

RIVER CLYDE HOMES

BOARD'S STATEMENT ON INTERNAL FINANCIAL CONTROLS

FOR THE YEAR ENDED 31 MARCH 2013

It is recognised that the Company's engagement with the Scottish Housing Regulator is at a high level; confirmed in the March 2013 Regulation Plan. Both the Chair of the Board and the Chief Executive have developed a positive relationship with the Regulator and are in regular contact to ensure progress is being made to address key elements of the Regulation Plan.

The Board have continued to review the system of internal financial control in the Company during the period ended 31 March 2013. No weaknesses were found in the internal financial controls, which could result in material losses, contingencies, or uncertainties, which require disclosure in the financial statements, or in the auditors' report on the financial statements.

By order of the Board



Date:

20/8/13

RIVER CLYDE HOMES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIVER CLYDE HOMES

We have audited the financial statements of River Clyde Homes Limited on pages 27 to 51. 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 Chapter 3 of Part 16 of the Companies Act 2006. 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 responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report and for the opinion we have formed.

Respective responsibilities of the Board and auditor

As explained more fully in the Board's Responsibilities Statement set out on page 22, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2013 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – April 2012.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Board's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

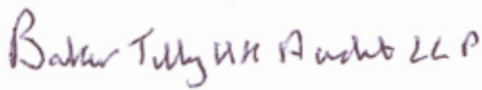
RIVER CLYDE HOMES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIVER CLYDE HOMES

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the books of account; or
- certain disclosures of the Board's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit



Janet Hamblin

Senior Statutory Auditor

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Breckenridge House

274 Sauchiehall Street

Glasgow G2 3EH

Date: 23 August 2013

RIVER CLYDE HOMES

INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 £000's	2012 £000's
Turnover	2	24,508	25,487
Operating costs	2	(20,992)	(19,855)
Operating surplus		3,516	5,632
Profit on sale of fixed assets	4a	117	115
Interest receivable and other income		64	12
Interest payable and similar charges		(362)	(265)
Other financing expense	10	(290)	(623)
Surplus on ordinary activities before taxation		3,045	4,871
Taxation on surplus on ordinary activities	1	-	-
Surplus for the year	12	3,045	4,871

The results for the year relate wholly to continuing activities.

STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS FOR THE YEAR ENDED 31 MARCH 2013

		2013 £000's	2012 £000's
Surplus for the year		3,045	4,871
Unrealised loss on revaluation of tangible asset	4b	(150)	-
Actuarial loss on pension scheme	10	(2,182)	(2,850)
Total recognised surplus relating to the year		713	2,021

RIVER CLYDE HOMES

BALANCE SHEET

AS AT 31 MARCH 2013

	Notes	2013 £000's	2012 £000's
Fixed Assets			
Housing properties - depreciated cost	4a	106,402	91,391
Less: Social Housing Grant	4a	(69,854)	(59,849)
		<u>36,548</u>	<u>31,542</u>
Other fixed assets	4b	526	761
		<u>37,074</u>	<u>32,303</u>
Current Assets			
Stock	5	135	266
Debtors	6a	15,224	20,129
Debtors due after more than one year	6b	13,254	17,829
Cash at bank and in hand		<u>4,868</u>	<u>3,495</u>
		<u>33,481</u>	<u>41,719</u>
Creditors: amounts falling due within one year	7	(19,004)	(22,743)
Net current assets		<u>14,477</u>	<u>18,976</u>
Total assets less current liabilities		<u>51,551</u>	<u>51,279</u>
Creditors: amounts falling due after more than one year	8	(27,754)	(30,064)
Pension Liability	10	(6,915)	(4,920)
Net Assets		<u>16,882</u>	<u>16,295</u>
Capital and Reserves			
Revaluation Reserve	12	60	211
Designated Reserve	12	18,157	17,557
Revenue Reserve	12	(1,335)	(1,473)
		<u>16,882</u>	<u>16,295</u>

These financial statements were approved and authorised for issue by the Board on 20 August 2013 and signed on their behalf by:

Chair of Board:



Secretary:



Board member:



RIVER CLYDE HOMES

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	£000's	£000's
	£000's	£000's
Net cash inflow from operating activities (note 13)	5,779	1,728
 Return on investments and servicing of finance		
Interest received	64	12
Interest paid	(362)	(265)
Other finance expense	(290)	(623)
	<u> </u>	<u> </u>
Net cash outflow from returns on investments and servicing of finance	<u>(588)</u>	<u>(876)</u>
 Capital expenditure and financial investment		
Cash Paid for construction of housing	(16,142)	(17,189)
Housing association grant received	10,048	14,189
Purchase of other fixed assets	(318)	(742)
Sale of properties	445	566
Repayment of proceeds from sale of properties	(328)	(451)
	<u> </u>	<u> </u>
Net cash outflow from capital expenditure	<u>(6,295)</u>	<u>(3,627)</u>
 Net cash outflow before financing	(1,104)	(2,775)
 Financing		
Loan advances received	2,477	21,484
Loan principal repayments	-	(16,500)
Loan redemption payments	-	-
	<u> </u>	<u> </u>
Net cash inflow from financing	<u>2,477</u>	<u>4,984</u>
 Increase in cash in period	<u><u>1,373</u></u>	<u><u>2,209</u></u>

Further details are given in note 13.

RIVER CLYDE HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

1. Principal Accounting Policies

The Company is incorporated under the Companies Act 2006 and is registered as a company limited by guarantee with Companies House in Scotland. The accounts have been prepared in accordance with the Companies Act 2006, the Determination of Accounting Requirements – April 2012 and in compliance with The Statement of Recommended Practice (SORP), “Accounting by Registered Social Providers, Update 2010” and applicable Accounting Standards.

a) Basis of Preparation

The accounts are prepared in accordance with applicable accounting standards, under the historical cost convention, modified to include land and buildings at valuation, and on a going concern basis.

b) Turnover

Turnover represents rental income from the letting of properties and service charges to tenants, net of voids and services to owner-occupiers and supporting people income.

c) Tangible Fixed Assets

Housing properties are stated at cost, all property was acquired at nil value under the stock transfer agreement. The cost of such properties includes the following:

- (i) Cost of acquiring land and buildings
- (ii) Development expenditure including attributable overheads
- (iii) Interest charged on the loans raised to finance the scheme to date of completion.

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

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

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

RIVER CLYDE HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

The adoption of component accounting in the 2010/11 represented a change in accounting policy. Previously major components of the Association's housing properties were deemed to be land and buildings. The major components are now deemed to be structure, roofs, windows and doors, bathrooms, mechanical systems, lifts, electrics, kitchens and central heating systems. Each component has a substantially different economic life and is depreciated over this individual life. Depreciation rates are shown in note (d). The new accounting policy was deemed to be more appropriate as it better reflects the actual major components of the Association's housing properties and their individual remaining useful lives.

Where developments have been financed wholly or partly by Housing Association 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. Housing Association 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 Housing Association 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.

d) Depreciation

Housing Land and Buildings:

Housing Properties are stated at cost less social housing grant, other public grants and accumulated depreciation. In 2010/11 RCH changed its accounting policy on the calculation of depreciation by implementing component accounting, as laid down by the 2010 SORP. This means that depreciation is charged based on the useful life of each component within its housing properties as follows:-

Structure	100 years
Roofs	70 years
Windows and doors	40 years
Bathrooms	30 years
Mechanical Systems	30 years
Lifts	30 years
Electrics	30 years
Kitchens	15 years
Central heating systems	15 years

Housing under construction is not depreciated and no depreciation is charged on the cost of land.

RIVER CLYDE HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

Other Fixed Assets:

A full year's depreciation is charged in the year of acquisition but no charge is made in the year of disposal. Depreciation is charged at rates estimated to write off costs less the estimated residual value over the expected useful life, as follows:

Office Buildings	- 2% straight line
Furniture and Equipment	- 20% straight line
Computer Equipment	- 33 1/3% straight line

Assets transferred from Inverclyde Council have been revalued in order to establish an initial value. They will be depreciated as per the policy above in future years.

e) **Support Grant**

Grants received in respect of revenue expenditure are credited to the Income and Expenditure account in the same period as the expenditure to which they relate.

f) **Value added tax**

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

g) **Pension**

The company participates in two pension schemes as follows:

1) Strathclyde Pension Fund which is a defined benefit scheme as defined by the Local Government Pension Scheme (Scotland) regulations 1998. Contributions are charged to the income and expenditure account so as to spread the cost of pensions over the employees' working lives within the Association.

2) Scottish Housing Associations' pension scheme which is a multi employer defined benefit scheme managed by the Pension Trust, which is accounted for as a defined contribution scheme as the funds managers are unable to split the assets and liabilities of the scheme by employer.

h) **Allocation of Owner Occupier Income**

Monies charged and received from owner-occupiers for common maintenance are credited into the income and expenditure account within the accounting period in which it is invoiced.

RIVER CLYDE HOMES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

i) Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

j) Sale of housing properties

Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale.

k) Development Agreement

The company has entered into agreements with Inverclyde Council whereby the undertaking of catch-up repairs and improvement works remained with Inverclyde Council, with that obligation sub-contracted to RCH. This has been shown on the Company's Balance Sheet as a debtor offset by a provision of an equal amount. As work progresses, both sums will be adjusted downwards by the appropriate amount (Notes 6, 7 and 8).

l) Stock

Stock is stated at the lower of cost and net realisable value. Net realisable value is estimated sales proceeds less costs to sell.

Stock includes stores items and expenditure less HAG on New Supply Shared Equity (NSSE) properties.

m) Designated Reserves

Designated reserves are earmarked amounts of any surplus which are being reserved for future events. Transfers to and from reserves must be approved by the Board. The use and timing of reserves are noted on page 9.

n) Taxation

As a charity, RCH is exempt from corporation tax on its charitable activities by virtue of Section 505(1) Income & Corporation Taxes Act 1988 and from capital gains tax by virtue of Section 145 Capital Gains Tax Act 1979.

RIVER CLYDE HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	Turnover £000's	Operating Costs £000's	Operating Surplus / (Deficit) £000's	Operating Surplus / (Deficit) for previous period of account £000's
Social lettings (Note 3a)	23,721	20,063	3,658	5,851
Other activities (Note 3b)	787	929	(142)	(219)
Total	24,508	20,992	3,516	5,632
2012	25,487	19,855	5,632	

RIVER CLYDE HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM SOCIAL LETTING ACTIVITIES

	2013 £000's	2012 £000's
Rent receivable net of Service Charges	21,429	20,912
Service Charges	528	547
Gross income from rents and service charge	21,957	21,459
Less voids	(1,297)	(1,296)
Net income from rents and service charges	20,660	20,163
Grants from the Scottish Ministers	1,960	1,023
Other Income	1,101	566
Total turnover from social letting activities	23,721	21,752
Management and maintenance administration costs	12,147	10,050
Planned and cyclical maintenance inc major repair costs	1,891	695
Reactive maintenance costs	4,838	4,013
Bad Debts - rents and service charge	226	293
Depreciation of social housing	961	850
Operating costs for social letting activities	20,063	15,901
Operating Surplus for Letting Activities	3,658	5,851
2012	5,851	

The above information relates to General Needs Housing only as RCH do not have any shared ownership or supported housing properties.

The total amount of major repairs expenditure incurred in the year was £10,459k (2012-£4,036k). Major repairs relating to £8,568k (2012-£3,341k) were capitalised in the year.

RIVER CLYDE HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

3b. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES

	Grants from Scottish Ministers £000's	Restricted revenue grants £000's	Supporting people income £000's	Other income £000's	Total Turnover £000's	Other operating costs £000's	Year to 2013 Operating Deficit £000's	Year to 2012 Operating Deficit £000's
Wider role activities								
undertaken to support the	-	-	-	-	-	-	-	(119)
community, other than the	-	-	173	116	289	431	(142)	(100)
provision, construction,	-	67	-	-	67	67	-	-
improvement and								
management of housing								
Support activities								
BIG Lottery Fund (Woodhall								
Community Park)								
Developments and	-	-	-	431	431	431	-	-
improvements for sale to non-								
registered social landlords								
Total from other activities	-	67	173	547	787	929	(142)	(219)
2012	33	29	173	3,500	3,735	3,954	(219)	

During the year there was no other surplus or deficit from other activities other than that noted above.

RIVER CLYDE HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

4a. Tangible Fixed Assets - Housing Properties

All properties were transferred to the company at nil value as part of the Large Scale Voluntary Stock Transfer. During the year 17 properties have been sold under Right to Buy resulting in a gain on sale of £117k. Cost of these properties totalled £nil. Security has been granted to lenders in respect of housing properties, net cumulated interest capitalised on housing properties at 31 March 2013 amounted to £nil (2012: £nil).

	Housing Properties Held for Letting £000's	Housing Properties Held for Construction £000's	Totals £000's
Cost			
Balance as at 1/4/12	88,952	4,894	93,846
Additions during the period	10,309	5,741	16,050
Transfers during the period	4,533	(4,533)	-
Disposals during the period	(87)	-	(87)
At 31 March 2013	103,707	6,102	109,809
Depreciation			
Balance as at 1/4/12	2,455	-	2,455
Provided during the period	961	-	961
Disposals during the period	(9)	-	(9)
At 31 March 2013	3,407	-	3,407
Total Cost less depreciation at 31 March 2013	100,300	6,102	106,402
Social Housing Grant			
Balance as at 1/4/12	55,077	4,772	59,849
Additions during the period	7,585	2,464	10,049
Transfers during the period	2,730	(2,730)	-
Disposals during the period	(44)	-	(44)
At 31 March 2013	65,348	4,506	69,854
Net Book Value			
As at 31 March 2013	34,952	1,596	36,548
As at 31 March 2012	31,420	122	31,542

From the financial year 2010/11, the Association adopted the Component Accounting policy required by SORP 2010. Social Housing Grant is repayable under certain circumstances. The amount relating to asset disposal during the year is £34k (2012: £nil).

RIVER CLYDE HOMES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

4b. Tangible Assets - other

	Land and Buildings £000's	Furniture and Fittings £000's	Computer Equipment £000's	Total £000's
Cost				
Balance as at 1/4/12	230	23	1,348	1,601
Revaluations during the period	(170)	-	-	(170)
Additions during the period	-	2	316	318
Disposals during the period	-	-	(16)	(16)
At 31 March 2013	60	25	1,648	1,733
Depreciation				
Balance as at 1/4/12	19	5	816	840
Revaluations during the period	(24)	-	-	(24)
Provided during the period	5	5	397	407
Disposals during the period	-	-	(16)	(16)
At 31 March 2013	-	10	1,197	1,207
Net Book Value				
As at 31 March 2013	60	15	451	526
As at 31 March 2012	211	18	532	761

None of the Company's properties are held under lease agreements.

Our land and buildings relate to our office at 2 Scarlow Street, which was revalued at market value on 19 December 2012 by DVS Property Services. The site was previously valued on 30 June 2008 by DM Hall Chartered Surveyors at £230k.

5. Stock

	2013 £000's	2012 £000's
Development properties under New Supply Shared Equity	-	145
General stock	135	121
	135	266

RIVER CLYDE HOMES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

6a. Debtors due within one year

	2013	2012
	£000's	£000's
Rent arrears	2,558	3,751
Less: bad debt provision	(2,158)	(3,397)
	<u>400</u>	<u>354</u>
VAT	182	92
Prepayments	445	143
Sundry Debtors	1,491	1,017
Less: bad debt provision	(378)	(272)
	<u>1,740</u>	<u>980</u>
Development agreement (Note 6b)	12,616	16,298
Grant receivable	468	2,497
	<u>15,224</u>	<u>20,129</u>

6b. Debtors due after more than one year

	2013	2012
	£000's	£000's
Sundry debtors	461	299
Development agreement	12,793	17,530
	<u>13,254</u>	<u>17,829</u>

In accordance with the Development Agreement accounting policy, included in debtors is a balance of £25.4m (£12.6m within one year) in respect of the expected cost of the development work that Inverclyde Council has committed to undertake in order to refurbish the properties. Inverclyde Council has sub-contracted the Company to carry out the programme of catch-up repairs to the residential accommodation as part of a development agreement. This balance relates to the identical provision in the accounts for this expenditure (note 7 and 8) and as work progresses both of these balances will be utilised when the work is actually undertaken.

RIVER CLYDE HOMES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

7. Creditors due within one year

	2013	2012
	£000's	£000's
Trade creditors	798	266
Other taxation and social security	283	273
Rents in advance	280	410
Development agreement (Note 8)	12,616	16,298
Accruals and other creditors	5,027	5,496
	19,004	22,743

Loans are repayable at a fixed interest of 4.69% and loans are secured on the housing stock

8. Creditors due after one year

	2013	2012
	£000's	£000's
Obligated repairs under development agreement	12,793	17,530
Loan	14,961	12,484
Committed Retirement Costs	-	50
	27,754	30,064

Loans

Loans are repayable in instalment due as follows:-

	2013	2012
	£000's	£000's
In one year or less	-	-
Between one and two years	-	-
Between two and five years	-	-
In five years or more	14,961	12,484
	14,961	12,484

Development Agreement

The provision represents the best estimate of the costs of contracted works for the repair of managed properties. This agreement is part of the Development Agreement (note 6a, 6b and note 7) and as work progresses the provision will be utilised when the work is actually undertaken.

RIVER CLYDE HOMES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

		2012/13	2011/12
		£000's	£000's
9	Employees		
	Wages and salaries	6,025	5,526
	Social security costs	430	396
	Other pension costs	455	147
	Staff costs during period	<u>6,910</u>	<u>6,069</u>

	No.	No.
The average full time equivalent number of persons employed by the Company during the period were as follows:	220.0	216.8
Corporate Services	29.0	29.6
Executive Management Team	4.0	6.7
Operations and Neighbourhoods	94.2	87.6
Property and Renewal	23.7	22.4
Maintenance Team	69.1	70.5

The Directors are defined as the members of the Board, the Chief Executive and any other person reporting directly to the Chief Executive or the Board whose total emoluments exceed £60,000 per year.

	£000's	£000's
Aggregate Emoluments payable to Directors (excluding employers NI and pension)	247	245
Emoluments payable to Highest Paid Director (excluding employers NI and pension)	81	93

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

	No.	No.
£60,001 to £70,000	-	-
£70,001 to £80,000	-	2
£80,001 to £90,000	1	-
£90,001 to £100,000	1	1

The Company's pension contributions for the Chief Executive in the period amounted to £728 (2012 -£8,500).

There were redundancy costs of £4,306 in the year (2012 - £224,956).

No member of the Board received any emoluments in respect of their services to the Company.

RIVER CLYDE HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

10. Pension Obligations

The Company's employees belong to two Pension funds, the Strathclyde Pension Fund which is part of the Local Government Pension Scheme (LGPS), and the Scottish Housing Associations' Pension Scheme.

- (i) The Strathclyde Pension Fund is a defined benefit scheme which provides benefits based on the final pensionable salary, the assets of which are held in a separate trustee administered fund. The pension costs are assessed with the advice of independent qualified actuaries, using the projected unit method.

The assumptions and other data that have the most significant effect on the determination of the contribution levels of this scheme are as follows:

	31/03/2013 % per annum	31/03/2012 % per annum
Retail Price Inflation	2.8	2.5
Increase in salaries	5.1	4.8
Increase in pension and deferred pensions	2.8	2.5
Discount rate	4.5	4.8

The Company's share of assets in the scheme and expected rate of return were:

	31/03/2013 Long term		31/03/2012 Long term	
	Assets 2012 £000's	Returns 2012 %	Assets 2011 £000's	Returns 2011 %
Equities	19,713	5.7	16,805	6.3
Bonds	3,632	3.4	2,401	3.9
Property	1,816	3.9	1,528	4.4
Cash	778	3.0	1,091	3.5
Total	25,939	5.2	21,825	5.8

RIVER CLYDE HOMES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

10. Pension Obligations - The Strathclyde Pension Fund (continued)

Net Pension Liability

	31/03/2013 £000's	31/03/2012 £000's	31/03/2011 £000's	31/03/2010 £000's	31/03/2009 £000's
Estimated Employer Assets	25,939	21,825	21,326	17,992	12,179
Present Value of funded liabilities	(31,798)	(25,882)	(22,985)	(25,330)	(12,988)
Present Value of unfunded liabilities	(1,056)	(863)	(563)	-	-
Net Pension Liability	(6,915)	(4,920)	(2,222)	(7,338)	(809)

Analysis of the amount charged to operating profit

	31/03/2013 % £000's	31/03/2012 % £000's	31/03/2011 % £000's	31/03/2010 % £000's	31/03/2009 % £000's
Service costs	21.2 689	19.9 674	22.9 1,005	11.7 549	14.0 678
Past service (gain) / costs	- -	- -	(51.6) (2,268)	3.9 181	- -
Total Operating Charge (A)	21.2 689	19.9 674	(28.7) (1,263)	15.6 730	14.0 678

Analysis of the amount credited to other finance income

	31/03/2013 % £000's	31/03/2012 % £000's
Expected return on Assets	39.6 1,289	44.5 1,512
Interest on pension scheme liability	(40.0) (1,299)	(39.2) (1,329)
Net return (B)	(0.4) (10)	5.3 183
Net Revenue Account Costs (A) - (B)	22 684	14.6 491

RIVER CLYDE HOMES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

10. Pension Obligations - The Strathclyde Pension Fund (continued)

Analysis of the amount in Statement of Total Recognised Surpluses and Deficits

	2012/13 £000's	2011/12 £000's
Opening Balance Losses	(7,100)	(4,250)
Actuarial loss	(2,182)	(2,850)
Increase/(Decrease) in Irrecoverable Surplus from Membership	-	-
Actuarial loss on assets and liabilities recognised in STRSD	(2,182)	(2,850)
Cumulative Actuarial Losses	(9,282)	(7,100)

Movement in pension deficit during the year

	2012/13 £000's	2011/12 £000's
Deficit at beginning	(4,920)	(2,222)
Current Service cost	(690)	(674)
Past Service return / (cost)	-	-
Losses on Curtailments	(280)	(806)
Expected Return on Employers assets	1,289	1,512
Interest Costs	(1,299)	(1,329)
Employers contribution	1,167	1,449
Actuarial loss	(2,182)	(2,850)
Pension deficit at end of year	(6,915)	(4,920)

RIVER CLYDE HOMES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

10. Pension Obligations (continued)

(ii) The Scottish Housing Associations' Pension Scheme

RCH participates in the Scottish Housing Associations' Pension Scheme ('the Scheme'). The Scheme is funded and is contracted out of the State Pension scheme.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to 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.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, so that the Scheme can meet its pension obligations as they fall due.

The last formal valuation of the Scheme was performed as at 30 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 £295 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £160 million, equivalent to a past service funding level of 64.8%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2012. 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%. A recent revaluation has updated this to 56.4% funding level.

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.

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.

RIVER CLYDE HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

RCH has elected to operate the final salary with a 1/60th accrual rate benefit structure for new entrants from 3 December 2007 until 31 March 2011. The default scheme after 1 April 2011 will be a career average salary based on 1/80ths accrual rate, however any new member may elect to upgrade their scheme to the live scheme of final salary with a 1/60th accrual rate, but the new member would be required to pay for the extra costs over the default scheme.

During the accounting period RCH paid, for the Final salary with a 1/60th accrual rate, contributions at the rate of 9.6% of pensionable salaries and Member contributions at the rate of 9.6%. For career average revalued earnings with a 1/80th accrual rate the rates were Employers 6.6% and Employee 6.6%.

As at the balance sheet date there were 29 active members of the Scheme employed by RCH. The annual pensionable payroll in respect of these members was £900k.

RCH continues to offer membership of the Scheme to its employees.

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

2009 Valuation Assumptions		% p.a.
Investment return pre retirement		7.4
Investment return post retirement – Non-pensioners		4.6
Investment return post retirement – Pensioners		4.8
Rate of salary increases		4.5
Rate of pension increases		
- Pension accrued pre 6 April 2005 in excess of GMP		2.9
- Pension accrued post 6 April 2005		
(for leavers before 1 October 1993 pension increases are 5.0%)		2.2
Rate of price inflation		3.0
Mortality Tables		
Non-pensioners	SAPS (S1PA) All Pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement	
Pensioners	SAPS (S1PA) All Pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement	
Contribution Rates for Future Service		%
Final salary 1/60ths		19.2
Career average revalued earnings 1/60ths		17.1
Career average revalued earnings 1/70ths		14.9
Career average revalued earnings 1/80ths		13.2
Career average revalued earnings 1/120ths		9.4
Additional rate for deficit contributions		10.4

RIVER CLYDE HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

The estimated liability of each employer's potential debt on withdrawal from the Scheme has been calculated at 30 September 2012; the amount of employer debt on withdrawal for River Clyde Homes has been calculated as £657,508.

River Clyde Homes has been notified by the Pension Trust of the Scottish Housing Association Pension Scheme (SHAPS) that past service deficit contributions, payable for the year to 31 March 2014 is £36,545. The Net Present Value of Past Service Deficit is £267k. A designated reserve equal to this amount has been set aside.

11. Company limited by guarantee

The Company is a company limited by guarantee and does not have a share capital. The liability of the members is limited to £1 each.

12. Reconciliation of movement in reserves

Revenue Reserve	2013	2012
	£000's	£000's
Opening funds	(1,473)	(3,569)
Surplus for period	3,045	4,871
Actuarial loss on pension scheme	(2,182)	(2,850)
Transfer from Revaluation Reserve	1	5
Transfer component accounting reserve from designated reserve	624	623
SHAPS Past Service Deficit to designated reserve	(267)	-
Transfer to designated reserve: Service Development	(1,083)	(553)
Revenue reserve at end of year	(1,335)	(1,473)

Designated Reserve: Component Accounting	2013	2012
	£000's	£000's
Opening funds	9,565	10,188
Transfer component accounting reserve to revenue reserve	(624)	(623)
Designated reserve: component accounting at end of year	8,941	9,565

RIVER CLYDE HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

Designated Reserve: SHAPS past service deficit	2013	2012
	£000's	£000's
Opening funds	-	-
SHAPS Past Service Deficit from revenue reserve	267	-
Designated reserve: SHAPS past service deficit at end of year	267	-
Designated Reserve: Indemnity	2013	2012
	£000's	£000's
Opening funds	1,000	1,000
Release of Indemnity Fund LOT2	(126)	-
Designated reserve: indemnity at end of year	874	1,000
Designated Reserve: Regeneration and Investment	2013	2012
	£000's	£000's
Opening funds	1,500	1,500
Movement in the Year	-	-
Designated reserve: regeneration and investment at end of year	1,500	1,500
Designated Reserve: Service Development	2013	2012
	£000's	£000's
Opening funds	5,492	4,939
Transfer from revenue reserve	1,083	553
Designated reserve: service development at end of year	6,575	5,492
Revaluation Reserve	2013	2012
	£000's	£000's
Opening funds	211	216
Revaluation during the year	(150)	-
Transfer to Revenue Reserve	(1)	(5)
Revaluation reserve at end of year	60	211

RIVER CLYDE HOMES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

13. Notes to the Cash Flow Statement

Notes to the Cash Flow Statement

	2013	2012
	£000's	£000's
a) Reconciliation of operating surplus to Net cash inflow from operating activities		
Operating surplus	3,516	5,632
Depreciation	1,368	1,183
Pension – employee costs	(479)	(775)
Pension – other finance income	290	623
Decrease in debtors	9,479	1,801
Decrease / (Increase) in stock	131	(142)
(Decrease) in creditors	(8,526)	(6,594)
	<hr/>	<hr/>
Net cash inflow from operating activities	<u>5,779</u>	<u>1,728</u>
b) Reconciliation of net cash flow to movement in net debt		
Increase in cash for the period	1,373	2,209
Loans received	(2,477)	(21,484)
Loan repayments	-	16,500
	<hr/>	<hr/>
Change in net debt	(1,104)	(2,775)
Opening Net debt	-	-
Net debt as at 31 March 2013	<u>(1,104)</u>	<u>(2,775)</u>

c) Analysis of changes in net debt

	As at	Cash	Other	As at
	01/04/12	Flow	Changes	31/03/13
	£000's	£000's	£000's	£000's
Cash at bank and in hand	3,495	1,373	-	4,868
Debt due within one year	-	-	-	-
Debt due after one year	(12,484)	(2,477)	-	(14,961)
	<hr/>	<hr/>	<hr/>	<hr/>
	(8,989)	(1,104)	-	(10,093)

RIVER CLYDE HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

14. Capital Commitments

	2013	2012
	£000's	£000's
Expenditure authorised by the Board	45,375	41,310
less certified	(37,822)	(29,430)
	7,553	11,880

All above commitments are expected to be funded by grant or private finance

15. Unit numbers under management

	2013 No.	2012 No.
Cottage	1,842	1,799
Flat	614	627
Maisonette	164	190
Multi-Storey	862	885
Tenement	2,451	2,561
	5,933	6,062

16. Related Parties

Various members of the Board are Tenants of the Company. The transactions with the Company are all done on standard terms, as applicable to all Tenants. There are also Councillors from Inverclyde Council on the Board. Any transactions with Inverclyde Council are made at arm's length, on normal commercial terms and these Board members cannot use their position on the Board to their or the council's advantage.

17. Auditors Remuneration

	2012/13 £000's	2011/12 £000's
The remuneration of the auditors (excluding expenses and including VAT for the period)	17	17

RIVER CLYDE HOMES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

18. Annual Operating Leases

	<u>Per annum £000's</u>	<u>Per annum £000's</u>
	<u>2013</u>	<u>2012</u>
Leases < 1 year	-	-
Leases 1 - 5 years	224	186
Leases > 5 years	75	75
	<u>299</u>	<u>261</u>

All the above leases relate to land, buildings and IT infrastructure

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यह अन्य भाषाओं में भी उपलब्ध है। यदि आपको इनमें से किसी फॉर्मेट में जानकारी की आवश्यकता है तो कृपया हमें (01475) 788887 पर सम्पर्क करें।

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Please contact us on:
01475 788887 or e-mail info@riverclydehomes.org.uk



