

SPIRE VIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

Register of Friendly Societies No. 2295R(S)

Registered Housing Association No. HAC 136

Registered Charity No. SC033266

FRENCH DUNCAN LLP

Chartered Accountants
375 West George Street
Glasgow
G2 4LW

SPIRE VIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

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MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS

Committee of Management

Charlie Lunn	(Chairperson)
Tilly McIlroy	(Vice Chairperson)
Jean Lunn	(Secretary)
Alan Brown	(Treasurer)

May Duffy
Madge Logan
Frances McEwan
Hannah Simpson
William Tibbs
Frank Reilly
Andrew Samson
Cornel Neil
Christine Zeidler

Executive Officer

Fiona Murphy (Director)

Registered Office

43 Tharsis Street
Roystonhill
GLASGOW
G21 2JF

Auditors

French Duncan LLP
Chartered Accountants
Statutory Auditor
375 West George Street
Glasgow
G2 4LW

Bankers

Santander
Bridle Road
Bootle, Merseyside

Clydesdale Bank plc
66 Queen Street
Glasgow

Dunfermline Building Society
Caledonia House, Carnegie Avenue
Dunfermline

Financial Consultants

A.C. Davidson & Co.
Dunskaithe Place
Glasgow
G34 OAZ

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2012

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

Legal Status

The Association is a registered Scottish charity, reference number SC033266 and a registered company under the provisions of the Industrial and Provident Societies Acts 1965 to 2002, registered number 2295R(S). The Association is governed by its rules which were last updated in December 1998.

Principal Activities

The principal activities of the Association are to provide good quality, affordable rented accommodation for those in housing need.

Results

The members of the Management Committee are of the opinion that the state of affairs of the Association is satisfactory. The surplus for the year was £105,204 (2011 – surplus £153,976 (as restated)). Transfers to designated reserves amounted to £40,000 (2011 – £230,000). Net Assets now total £8,587,757 (2011 – £8,534,049 (as restated)).

Changes in Fixed Assets

Details of Fixed Assets are set out in Note 10.

Management Committee and Executive Officers

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

Statement of Management Committee's Responsibilities

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

Statute requires 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 year. In preparing those Financial Statements, the Management Committee is required to fulfil the following obligations:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 its business; and
- 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 Acts 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.

The Management Committee confirms that the Financial Statements comply with the above requirements.

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

In so far as the Management Committee is aware:

- there is no relevant audit information of which the Association's auditors are unaware; and
- the Management Committee has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

Related Party Transactions

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

Raising Standards Guidance on Internal Financial Control and Financial Reporting

The Association considers that it has complied with "Raising Standards" guidance on "Internal Financial Control and Financial Reporting" contained within "Raising Standards in Housing", published by the Scottish Federation of Housing Associations and endorsed by the Scottish Housing Regulator.

Internal Financial Control

The Management Committee has overall responsibility for the Association's system of internal financial control and recognise that such a system can provide only reasonable and not absolute assurance against material misstatement or loss.

To discharge this responsibility, the Management Committee will continue to establish an organisational structure with clearly defined levels of responsibility and authority and with appropriate reporting procedures. Included within these key procedures will be the following internal financial controls:

- the formulation of policies and approval procedures in the areas such as compliance, investment and treasury operations and capital expenditure;
- a comprehensive system of budgeting, planning and financial reporting;
- formal business risk reviews by management which consider the potential effects of risk and identify potential new risk;
- internal audit reviews of the controls and processes from which formal reports are prepared;
- the Management Committee considers significant control issues and receives regular reports from both the internal and external auditors; and
- external auditors report on any weaknesses in internal financial control identified during the course of their audits. These reports, together with the replies from management and details of measures taken as a consequence are reviewed by the Management Committee.

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

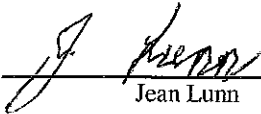
Auditors' Review

In addition to their audit of the financial statements, our auditors have reviewed the Management Committee's statement concerning the Association's compliance with the disclosures required by the Scottish Federation of Housing Associations "Raising Standards" guidance on "Internal financial control and financial reporting". Their report is set out on page 6.

Auditors

A resolution to re-appoint French Duncan LLP, Chartered Accountants, Glasgow, as auditors will be put to the members at the Annual General Meeting.

By Order of the Management Committee



Jean Lunn
SECRETARY

17 September 2012

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
SPIRE VIEW HOUSING ASSOCIATION LIMITED**

We have audited the Financial Statements of Spire View Housing Association Limited for the year ended 31 March 2012 on pages 7 to 25. 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 Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of management committee and auditor

As explained more fully in the Committee's Responsibilities Statement set out on page 2, the Committee is responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion, the Financial Statements

- give a true and fair view of the state of the Association's affairs as at 31 March 2012 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, Schedule 7 of the Housing Scotland Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007.

Matters arising on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts 1965 to 2002 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.



FRENCH DUNCAN LLP
Chartered Accountants
Statutory Auditor
375 West George Street
Glasgow
G2 4LW

Date: 25 September 2012

**REPORT OF THE INDEPENDENT AUDITORS TO SPIRE VIEW HOUSING ASSOCIATION
LIMITED ON CORPORATE GOVERNANCE MATTERS**

In addition to our audit of the Financial Statements, we have reviewed whether the statement on page 3 reflects the Association's compliance with the disclosure required by the Scottish Federation of Housing Associations - "Raising Standards" guidance on "Internal financial control and financial reporting".

Basis of Opinion

We have carried out the review having regard to 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 guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

Opinion

In our opinion the Statement of Internal Financial Controls on page 3 has provided the disclosures required by the Scottish Federation of Housing Associations "Raising Standards" guidance on "Internal financial control and financial reporting", and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

Fred Duncan LLP

FRENCH DUNCAN LLP
Chartered Accountants
Statutory Auditor
375 West George Street
Glasgow
G2 4LW

Date: *25 September 2012*

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

	Notes	2012 £	2011 (as restated) £
TURNOVER	2	1,511,098	1,420,675
Operating costs	2	<u>(1,269,558)</u>	<u>(1,108,709)</u>
OPERATING SURPLUS	7	241,540	311,966
Interest receivable and other income		1,179	1,196
Interest payable	8	<u>(137,515)</u>	<u>(159,186)</u>
TOTAL SURPLUS FOR YEAR BEFORE TAXATION		105,204	153,976
Tax on surplus on ordinary activities	9	<u>-</u>	<u>-</u>
SURPLUS FOR YEAR		<u>105,204</u>	<u>153,976</u>

The results for the year relate wholly to continuing activities.

STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS

FOR THE YEAR ENDED 31 MARCH 2012


	2012 £	2011 (as restated) £
Surplus for the financial year	105,204	153,976
Release from revaluation reserve	<u>88,221</u>	<u>88,222</u>
Total recognised surpluses and deficits relating to the year	193,425	<u>242,198</u>
Prior year adjustments (as explained in note 22)	<u>(178,470)</u>	
Total recognised surpluses and deficits recognised since the last annual report	<u>14,955</u>	

BALANCE SHEET AS AT 31 MARCH 2012

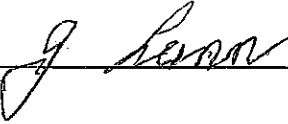
	Notes	2012 £	2011 (as restated) £
TANGIBLE FIXED ASSETS			
Housing properties	10	42,220,293	42,084,079
Less: Social Housing, Other Grants and Depreciation		<u>(30,767,903)</u>	<u>(30,515,392)</u>
		11,452,390	11,568,687
Other	10	<u>410,775</u>	<u>430,924</u>
		<u>11,863,165</u>	<u>11,999,611</u>
CURRENT ASSETS			
Debtors	11	133,471	117,432
Cash at bank and in hand		<u>1,130,077</u>	<u>1,227,635</u>
		1,263,548	1,345,067
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	12	<u>(414,286)</u>	<u>(447,287)</u>
NET CURRENT ASSETS			
		<u>849,262</u>	<u>897,780</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		12,712,427	12,897,391
Creditors: Amounts falling due after one year	13	<u>(4,124,670)</u>	<u>(4,363,342)</u>
		<u>8,587,757</u>	<u>8,534,049</u>
CAPITAL AND RESERVES			
Called up share capital	14	442	434
Designated reserves	15	1,665,571	1,625,571
Revaluation reserve	16	6,238,238	6,377,963
Revenue reserves	17	<u>683,506</u>	<u>530,081</u>
		<u>8,587,757</u>	<u>8,534,049</u>

The Financial Statements were approved by the Management Committee on
and signed on its behalf by:-

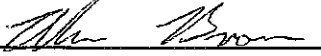
17 September 2012



Charlie Lunn CHAIRPERSON



Jean Lunn SECRETARY



Alan Brown TREASURER

STATEMENT OF CASH FLOW

FOR THE YEAR TO 31 MARCH 2012

	Notes	2012 £	2011 (as restated) £
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	<u>411,435</u>	<u>556,913</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		1,179	1,196
Interest paid		<u>(137,515)</u>	<u>(159,186)</u>
NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>(136,336)</u>	<u>(157,990)</u>
TAXATION			
Tax paid		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
CAPITAL EXPENDITURE			
Cash paid for development, construction and purchase of housing		(188,321)	(114,403)
Cash paid for purchase of other fixed assets		(840)	(23,314)
Social Housing Grant received		38,875	17,326
Net proceeds on disposal of housing properties		<u>-</u>	<u>-</u>
		<u>(150,286)</u>	<u>(120,391)</u>
NET CASH INFLOW BEFORE FINANCING		<u>124,813</u>	<u>278,532</u>
FINANCING			
Loans repaid		(222,391)	(211,235)
Shares issued		<u>20</u>	<u>11</u>
		<u>(222,371)</u>	<u>(211,224)</u>
(DECREASE)/INCREASE IN CASH	20	<u><u>(97,558)</u></u>	<u><u>67,308</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

The Association is incorporated under the Industrial and Provident Societies Acts and is registered by The Registrar of Friendly Societies. The financial statements have been prepared in compliance with the Registered Social Landlords Accounting Requirements (Scotland) Order 2007.

The principal accounting policies are set out below.

a) Basis of accounting

The financial statements are prepared on the historical cost basis modified to include the revaluation of properties.

b) Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from Scottish Homes, Local Authorities and other agencies.

c) Social Housing Grant (SHG)

Where Social Housing Grant (SHG) or other capital grant has been received towards the cost of developments, the cost of these developments has been reduced by the amount of grant receivable. This amount is shown separately on the balance sheet. Where SHG has been received in respect of revenue expenditure, it is credited to the Income and Expenditure Account in the same period as the expenditure to which it relates.

Although SHG or other revenue 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 the sale.

d) Tangible Fixed Assets - Housing Properties

Housing properties are stated at cost less Social Housing Grant and other grants and adjusted for property revaluations at the stated dates.

e) Depreciation - Housing Properties

The Association adopted component accounting during the financial year. Properties other than heritable land are depreciated in accordance with FRS15 at rates calculated to reduce the net book value of each component of the property to its estimated residual value, on a straight line basis, over the expected remaining life of the component. Heritable land is not depreciated. The estimated useful lives of the assets and components are shown in the table below:

Boilers	15 years	Kitchens	15 years
Bathrooms	20 years	Heating Systems	30 years
Windows	30 years	Roofs	60 years
Structure	60 years		

The year to March 2012 represents the first full year of implementation of component accounting and prior to this only land and structure were recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

1. ACCOUNTING POLICIES (Continued)**f) Depreciation - Other Fixed Assets**

Depreciation on office refurbishment, fixtures, fittings, equipment and motor vehicles has been charged at rates estimated to write off the cost less residual value over their estimated useful lives as follows:

Office building	-	2% straight line
Furniture	-	15% straight line
Computer equipment	-	33.33% straight line
CCTV systems	-	10% straight line

g) Capitalisation of Interest

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

h) Development Administration

Development administration costs relating to development activities are capitalised based on the time spent by staff on this activity.

i) Cyclical Repairs

The costs of cyclical repairs are charged to the Income and Expenditure Account in the year in which they are incurred.

j) Designated Reserves**Planned Maintenance**

The Association maintains its housing properties in a state of repair which at least maintains their residual value in prices prevailing at the time of acquisition and construction. Provision is made for such future repair expenditure on the basis of a costed programme.

k) Pensions

The Association participates in the centralised Scottish Housing Associations' Pension Scheme (SHAPS) which provides benefits based on final pensionable salary. Contributions are charged to the income and expenditure account so as to spread the cost of pensions over the employees' working lives with the Association.

l) Leases

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

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

	Note	Turnover £	Operating Costs £	2012 Operating Surplus/ (Deficit) £	2011 (as restated) Operating Surplus/ (Deficit) £
Social lettings	3	<u>1,405,646</u>	<u>(1,178,637)</u>	<u>227,009</u>	<u>313,217</u>
Other activities	4	<u>105,452</u>	<u>(90,921)</u>	<u>14,531</u>	<u>(1,251)</u>
Total		<u>1,511,098</u>	<u>(1,269,558)</u>	<u>241,540</u>	<u>311,966</u>
Total for previous period of account (as restated)		<u>1,420,675</u>	<u>(1,108,709)</u>	<u>311,966</u>	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS/(DEFICIT) FROM SOCIAL LETTINGS

	General Needs Housing £	Supported Housing Accommodation £	Shared Ownership Housing £	Other £	2012 Total £	2011 (as restated) Total £
Rent receivable net of service charges	1,392,928	-	13,763	-	1,406,691	1,349,538
Service charges	-	-	-	-	-	-
Gross income from rents and service charges	1,392,928	-	13,763	-	1,406,691	1,349,538
Less: Voids	(1,045)	-	-	-	(1,045)	(4,580)
Net income from rents and service charges	1,391,883	-	13,763	-	1,405,646	1,344,958
Grants from the Scottish Ministers	-	-	-	-	-	-
Other revenue grants	-	-	-	-	-	-
Total turnover from social letting activities	1,391,883	-	13,763	-	1,405,646	1,344,958
Management and maintenance administration costs	462,516	-	13,763	-	476,279	473,828
Service costs	-	-	-	-	-	-
Planned and cyclical maintenance including major repairs costs	356,465	-	-	-	356,465	192,178
Reactive maintenance costs	124,649	-	-	-	124,649	149,691
Bad debts - rents and service charges	7,005	-	-	-	7,005	7,777
Depreciation of social housing	214,239	-	-	-	214,239	208,267
Impairment of social housing	-	-	-	-	-	-
Operating costs for social letting activities	1,164,874	-	13,763	-	1,178,637	1,031,741
Operating surplus/(deficit) for social lettings	227,009	-	-	-	227,009	313,217
Operating surplus/(deficit) for social letting for previous period of account (as restated)	313,217	-	-	-	313,217	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

4. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS/(DEFICIT) FROM OTHER ACTIVITIES

	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other income £	Total Turnover £	Operating costs - bad debts £	Other operating costs £	Operating surplus/ (deficit) £	Operating surplus/(deficit) for previous period of account £
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	85,035	-	-	-	85,035	-	79,897	5,138	(1,299)
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-	-
Development and construction of property activities	-	-	-	-	-	-	-	-	-
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Agency/management services for registered social landlords	-	-	-	20,405	20,405	-	11,024	9,381	-
Other agency/management services	-	-	-	-	-	-	-	-	-
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to non registered social landlords	-	-	-	-	-	-	-	-	-
Other activities - Forfeited shares	-	-	-	12	12	-	-	12	48
Total from other activities	85,035	-	-	20,417	105,452	-	90,921	14,531	(1,251)
Total from other activities for the previous period of account	75,669	-	-	48	75,717	-	76,968	(1,251)	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

5. DIRECTORS' EMOLUMENTS

The Management Committee are all classed as Directors of the Association. All perform their duties on a voluntary basis and have no emoluments from the Association. In addition the director and any other person who reports directly to the Director or the Management Committee whose total emoluments exceed £60,000 per year is also similarly classed.

	2012	2011
	£	(as restated) £
Total Emoluments (including pension contributions and benefits in kind)	<u>69,837</u>	<u>60,509</u>
Emoluments of highest paid director (excluding pension contributions)	<u>63,421</u>	<u>52,531</u>
	Number	Number
Greater than £60,000	<u>1</u>	<u>1</u>
Total expenses re-imbursed insofar as not chargeable to income tax	£	£
Management Committee	<u>1,694</u>	<u>654</u>

Re-imbusement is only made for expenses directly incurred in connection with performing the Association's business.

6. EMPLOYEES

	Number	Number
The average weekly numbers of persons employed during the year was:	<u>8</u>	<u>8</u>
Staff Costs:	£	£
Wages and Salaries	222,362	212,468
Social Security Costs	18,966	18,041
Pension Contributions	<u>32,827</u>	<u>22,583</u>
	<u>274,155</u>	<u>253,092</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

7. OPERATING SURPLUS

	2012	2011
	£	(as restated) £
Operating surplus is stated after charging:-		
Depreciation	235,228	231,661
Auditor's remuneration - Audit Services	<u>6,500</u>	<u>6,384</u>

8. INTEREST PAYABLE

On bank loans and overdrafts	<u>137,515</u>	<u>159,186</u>
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9. TAXATION

No taxation is due as the Association has only undertaken charitable activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

10. TANGIBLE FIXED ASSETS

	Properties Held for Letting £	Properties Under Construction £	Completed Shared Ownership Properties £	Total £
Cost or Valuation				
At 1 April 2011 (as restated)	41,659,021	-	425,058	42,084,079
Additions	188,321	-	-	188,321
Disposals	(52,107)	-	-	(52,107)
Transfer	53,132	-	(53,132)	-
Revaluation	-	-	-	-
At 31 March 2012	<u>41,848,367</u>	-	<u>371,926</u>	<u>42,220,293</u>
Social Housing Grant				
At 1 April 2011	29,958,950	-	348,175	30,307,125
Additions	38,875	-	-	38,875
Disposals	-	-	-	-
Transfer	43,522	-	(43,522)	-
At 31 March 2012	<u>30,041,347</u>	-	<u>304,653</u>	<u>30,346,000</u>
Depreciation				
At 1 April 2011 (as restated)	208,267	-	-	208,267
Provided during year	214,239	-	-	214,239
Disposals	(603)	-	-	(603)
On revaluation	-	-	-	-
At 31 March 2012	<u>421,903</u>	-	-	<u>421,903</u>
Net Book Value at 31 March 2012	<u>11,385,117</u>	-	<u>67,273</u>	<u>11,452,390</u>
Net Book Value at 31 March 2011 (as restated)	<u>11,491,804</u>	-	<u>76,883</u>	<u>11,568,687</u>

On 31 March 2010 the properties held for letting were revalued by Allied Surveyors Scotland PLC on the Existing Use Value – Social Housing basis.

On the historical cost basis, the revalued property at 31 March 2012 would have been included at a cost of £36,555,063 (2011 - £36,365,718 (as restated)) less Social Housing Grant and depreciation of £31,565,383 (2011- £31,356,968 (restated)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

10. TANGIBLE FIXED ASSETS (Continued)

	Office Premises £	Office Furniture £	Office Equipment £	CCTV System £	Total £
Cost					
At 1 April 2011	515,641	42,513	75,813	30,948	664,915
Additions	-	-	840	-	840
Revaluation	-	-	-	-	-
Disposals	-	-	-	-	-
	<u>515,641</u>	<u>42,513</u>	<u>76,653</u>	<u>30,948</u>	<u>665,755</u>
At 31 March 2012	<u>515,641</u>	<u>42,513</u>	<u>76,653</u>	<u>30,948</u>	<u>665,755</u>
Depreciation					
At 1 April 2011	100,795	39,667	62,991	30,538	233,991
Charge for the year	10,313	2,272	7,995	409	20,989
Disposals	-	-	-	-	-
	<u>111,108</u>	<u>41,939</u>	<u>70,986</u>	<u>30,947</u>	<u>254,980</u>
At 31 March 2012	<u>111,108</u>	<u>41,939</u>	<u>70,986</u>	<u>30,947</u>	<u>254,980</u>
Net Book Value at 31 March 2012	<u>404,533</u>	<u>574</u>	<u>5,667</u>	<u>1</u>	<u>410,775</u>
Net Book Value at 31 March 2011 (as re:	<u>414,846</u>	<u>2,846</u>	<u>12,822</u>	<u>410</u>	<u>430,924</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

11. DEBTORS

	2012	2011
	£	£
Amounts falling due within one year:		
Arrears of rental service charges	37,570	45,655
Prepayments and accrued income	29,838	29,756
Other debtors	<u>66,063</u>	<u>42,021</u>
	<u>133,471</u>	<u>117,432</u>

12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

Housing loans	230,203	213,922
Trade creditors	91,115	135,120
Corporation tax	-	-
Other taxes and social security	5,884	4,818
Other creditors	65,978	59,448
Accruals and deferred income	<u>21,106</u>	<u>33,979</u>
	<u>414,286</u>	<u>447,287</u>

13. CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR

Housing loans:-		
Due between one and two years	235,371	220,767
Due between two and five years	715,249	707,542
Due after five years	<u>3,174,050</u>	<u>3,435,033</u>
	<u>4,124,670</u>	<u>4,363,342</u>

The loans are secured by a standard security held over the housing properties of the Association and are repayable at varying rates of interest in instalments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

14. SHARE CAPITAL

	2012	2011
	£	£
Shares of £1 each, fully paid and issued		
Allotted, issued and fully paid at 1 April 2011	434	467
Issued during the year	20	11
Forfeited during the year	<u>(12)</u>	<u>(44)</u>
At 31 March 2012	<u>442</u>	<u>434</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends or distributions on a winding up. Each member has a right to vote at members' meetings.

Under the Association's Rules, share capital is non refundable if a person ceases to be a member.

At 31 March 2012, shares issued were split as follows:

	No	No
Active members	442	434
Ceased members	<u>-</u>	<u>-</u>
	<u>442</u>	<u>434</u>

15. DESIGNATED RESERVES

Planned Maintenance	2012
	£
Balance at 1 April 2011 (as previously stated)	1,938,243
Prior year adjustment	<u>(312,672)</u>
Balance at 1 April 2011 (as restated)	1,625,571
Transferred in year	<u>40,000</u>
Balance at 31 March 2012	<u>1,665,571</u>

16. REVALUATION RESERVE

	2012
	£
Balance at 1 April 2011 (as previously stated)	6,158,502
Prior year adjustment	<u>219,461</u>
Balance at 1 April 2011 (as restated)	6,377,963
Release against loss on disposal of fixed assets	(51,504)
Release to revenue reserve	<u>(88,221)</u>
Balance at 31 March 2012	<u>6,238,238</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

17. REVENUE RESERVE

	2012
	£
Balance at 1 April 2011 (as previously stated)	526,105
Prior year adjustment	<u>3,976</u>
Balance at 1 April 2011 (as restated)	530,081
Surplus for the year	105,204
Release from revaluation reserve	88,221
Transfer to designated reserves	<u>(40,000)</u>
At 31 March 2012	<u><u>683,506</u></u>

18. RECONCILIATION OF OPERATING SURPLUS
TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012	2011
	£	(as restated) £
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	241,540	311,966
Depreciation	235,228	231,661
Loss on sale of assets	-	-
Forfeited shares	(12)	(44)
(Increase)/decrease in debtors	(16,039)	70,989
Decrease in creditors	<u>(49,282)</u>	<u>(57,659)</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u><u>411,435</u></u>	<u><u>556,913</u></u>

19. RECONCILIATION OF NET CASHFLOW
TO MOVEMENT IN NET DEBT

(Decrease)/increase in cash in year	(97,558)	67,308
Loan repayments	<u>222,391</u>	<u>211,235</u>
Change in net debt	124,833	278,543
Net debt at 1 April 2011	<u>(3,349,629)</u>	<u>(3,628,172)</u>
Net debt at 31 March 2012	<u><u>(3,224,796)</u></u>	<u><u>(3,349,629)</u></u>

20. ANALYSIS OF CHANGES IN NET DEBT

	As at 1 April 2011	Cash Flow	Other Changes	As at 31 March 2012
	£	£	£	£
Cash at bank and in hand	1,227,635	(97,558)	-	1,130,077
Debt due within 1 year	(213,922)	213,922	(230,203)	(230,203)
Debt due after 1 year	<u>(4,363,342)</u>	8,469	230,203	<u>(4,124,670)</u>
	<u><u>(3,349,629)</u></u>	<u>124,833</u>	-	<u><u>(4,354,873)</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

21. HOUSING STOCK	2012 No	2011 No
The number of units of accommodation in management at the year end was:		
General needs	552	551
Shared ownership	<u>5</u>	<u>6</u>
	<u><u>557</u></u>	<u><u>557</u></u>

22. PRIOR YEAR ADJUSTMENT

During the year, the Association changed its accounting policy in relation to housing properties and depreciation, as detailed in Note 1 to the Financial Statements, in order to incorporate component accounting. Major repairs which relate to identified components are now capitalised, with major components being depreciated over the estimated useful economic lives of each identified component.

As a result of the change in accounting policy, a prior year adjustment has been required under Financial Reporting Standard 3 - Reporting Financial Performance, and Financial Reporting Standard 18 - Accounting Policies.

Balances brought forward have been adjusted as follows:

	Reported in 2011 Accounts £	Adjustment £	Restated 2011 Figures £
Housing Property - Net Book Value	11,657,922	(89,235)	11,568,687
Designated Reserves	1,938,243	(312,672)	1,625,571
Revaluation Reserves	6,158,502	219,461	6,377,963
Revenue Reserves	526,105	3,976	530,081
		<u>(178,470)</u>	
Net prior year adjustment		<u><u>(178,470)</u></u>	

The reported surplus in 2011 has been reduced by £22,039 and now stands at £153,976.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

24. PENSION OBLIGATIONS

Spire View Housing Association Limited (the "Association") 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 an individual participating employer as the Scheme is a multi-employer arrangement where the assets are commingled for investment purposes, benefits are paid from the total Scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the Scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

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

The last formal valuation of the Scheme was performed 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 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%.

The Scheme offers five benefit structures to employers, namely:

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

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

The Association has elected to operate the final salary with a 1/60th accrual rate benefit structure for active members and new members.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

24. PENSION OBLIGATIONS (Continued)

During the year, the Association paid contributions at the rate of 9.6%. Member contributions were 9.6%.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

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

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

Spire View Housing Association Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the SFHA Pension Scheme based on the financial position of the Scheme as at 30 September 2011. As of this date the estimated employer debt for Spire View Housing Association Limited was £1,838,595.

As at the balance sheet date there were 5 active members of the Scheme employed by Spire View Housing Association Limited.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012 (Continued)

24. PENSION OBLIGATIONS (Continued)

The key valuation assumptions used to determine the assets and liabilities of the SFHA Pension Scheme are:

2009 Valuation Assumptions		% p.a.
Investment return pre retirement		7.4
Investment return post retirement - Non-pensioners		4.6
Investment return post retirement - Pensioners		4.8
Rate of salary increases		4.5
Rate of pension increases		
- Pension accrued pre 6 April 2005 in excess of GMP		2.9
- Pension accrued post 6 April 2005 (for leavers before 1 October 1993 pension increases are 5.0%)		2.2
Rate of price inflation		3.0

Mortality Tables	
Non-pensioners	SAPS (S1PA) All Pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement
Pensioners	SAPS (S1PA) All Pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement

Contribution Rates for Future Service (payable from 1 April 2011)		%
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

(* Expressed in nominal pound terms (for each employer) increasing each 1 April in line with the rate of salary increases assumption. Earnings as at 30 September 2009 are used as the reference point for calculating the additional contributions.)

As Spire View Housing Association Limited continues to offer membership of the scheme to employees it therefore regards crystallisation of the buy-out as remote. No provision for the buy-out debt is therefore required.

The pension cost charge of £32,827 (2011: £22,583) represents amounts paid by the Association to this scheme during the year.

The Association's Director is an ordinary member of the pension scheme and no enhanced or special terms apply. The Director does not have an individual pension arrangement. The Association paid £6,416 (2011: £7,978) of contributions towards the Director's pension in the year.

25. RELATED PARTY TRANSACTIONS

The members of the management committee who are tenants have their tenancies on the Association's normal tenancy terms and they cannot use their positions to their advantage.