

SPIRE VIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

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 2013

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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	Clydesdale Bank plc	Dunfermline Building Society
Bridle Road	66 Queen Street	Caledonia House, Carnegie Avenue
Bootle, Merseyside	Glasgow	Dunfermline

Financial Consultants

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

REPORT OF THE MANAGEMENT COMMITTEE**FOR THE YEAR ENDED 31 MARCH 2013**

The Management Committee presents its Report and the Audited Financial Statements for the year ended 31 March 2013.

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 £310,128 (2012 – £105,204). Transfers to designated reserves amounted to £nil (2012 – £40,000). Net Assets now total £8,868,358 (2012 - £8,587,757).

Changes in Fixed Assets

Details of Fixed Assets are set out in Note 10(a)

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 Act 1965 to 2002, Part 6 of the Housing (Scotland) Act 2010, the Statement of Recommended Practice - Accounting by registered social housing providers issued in 2010, and the Scottish Housing Regulator's Determination of Accounting Requirements April 2012. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

REPORT OF THE MANAGEMENT COMMITTEE**FOR THE YEAR ENDED 31 MARCH 2013 (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 2013 (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

17th September 2013

**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 2013 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 2013 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, part 6 of the Housing Scotland Act 2010 and the Scottish Housing Regulators Determination of Accounting Requirements April 2012.

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: 23/09/2013

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.



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

Date: 23/09/2017

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2013

		2013	2012
	Notes	£	£
TURNOVER	2	1,509,048	1,511,098
Operating costs	2	<u>(1,102,328)</u>	<u>(1,269,558)</u>
OPERATING SURPLUS	7	406,720	241,540
Interest receivable and other income		1,206	1,179
Interest payable	8	<u>(97,798)</u>	<u>(137,515)</u>
TOTAL SURPLUS FOR YEAR BEFORE TAXATION		310,128	105,204
Tax on surplus on ordinary activities		<u>-</u>	<u>-</u>
SURPLUS FOR YEAR		<u>310,128</u>	<u>105,204</u>

The results for the year relate wholly to continuing activities.

STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS

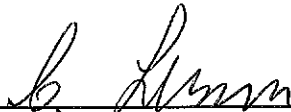
FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	£	£
Surplus for the financial year	310,128	105,204
Release from revaluation reserve	88,221	88,221
Total recognised surpluses and deficits relating to the year	<u>398,349</u>	<u>193,425</u>
Prior year adjustments	-	(178,470)
Total recognised surpluses and deficits recognised since the last annual report	<u>398,349</u>	<u>14,955</u>

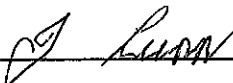
BALANCE SHEET AS AT 31 MARCH 2013

	Notes	2013 £	2012 £
TANGIBLE FIXED ASSETS			
Housing properties	10 (a)	42,432,724	42,220,293
Less: Social Housing, Other Grants and Depreciation		<u>(30,868,253)</u>	<u>(30,767,903)</u>
Other	10 (a) 10 (b)	11,564,471 <u>394,223</u>	11,452,390 <u>410,775</u>
		<u>11,958,694</u>	<u>11,863,165</u>
CURRENT ASSETS			
Debtors	11	119,073	133,471
Cash at bank and in hand		<u>1,262,257</u>	<u>1,130,077</u>
		1,381,330	1,263,548
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	12	<u>(596,236)</u>	<u>(414,286)</u>
NET CURRENT ASSETS			
		<u>785,094</u>	<u>849,262</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors: Amounts falling due after one year	13	<u>(3,875,430)</u>	<u>(4,124,670)</u>
		<u>8,868,358</u>	<u>8,587,757</u>
CAPITAL AND RESERVES			
Called up share capital	14	445	442
Designated reserves	15	1,665,571	1,665,571
Revaluation reserve	16	6,120,487	6,238,238
Revenue reserves	17	<u>1,081,855</u>	<u>683,506</u>
		<u>8,868,358</u>	<u>8,587,757</u>

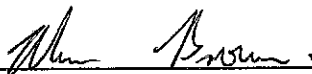
The Financial Statements were approved by the Management Committee on 14th September 2013 and signed on its behalf by:-



 Charlie Lunn CHAIRPERSON



 Jean Lunn SECRETARY



 Alan Brown TREASURER

STATEMENT OF CASH FLOW

FOR THE YEAR TO 31 MARCH 2013

	Notes	2013	2012
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	<u>851,780</u>	<u>411,435</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		1,206	1,179
Interest paid		<u>(97,798)</u>	<u>(137,515)</u>
NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>(96,592)</u>	<u>(136,336)</u>
TAXATION			
Tax paid		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
CAPITAL EXPENDITURE			
Cash paid for development, construction and purchase of housing		(408,839)	(188,321)
Cash paid for purchase of other fixed assets		-	(840)
Social Housing Grant received		30,003	38,875
Net proceeds on disposal of housing properties		<u>-</u>	<u>-</u>
		<u>(378,836)</u>	<u>(150,286)</u>
NET CASH INFLOW BEFORE FINANCING		<u>376,353</u>	<u>124,813</u>
FINANCING			
Loans repaid		(244,190)	(222,391)
Shares issued		<u>17</u>	<u>20</u>
		<u>(244,173)</u>	<u>(222,371)</u>
INCREASE/(DECREASE) IN CASH	20	<u><u>132,180</u></u>	<u><u>(97,558)</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES

The Association is incorporated under the Industrial and Provident Societies Act 1965 and is registered by The Registrar of Friendly Societies. The financial statements have been prepared in accordance with the applicable accounting Standards and Statements of Recommended Practice and comply with the Scottish Housing Regulators Determination of Accounting Requirements April 2012.

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

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	25 years	Heating Systems	30 years
Windows	30 years	Roofs	60 years
Structure	60 years		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013 (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 2013 (Continued)

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

		2013			2012
	Note	Turnover	Operating Costs	Operating Surplus/ (Deficit)	Operating Surplus/ (Deficit)
		£	£	£	£
Social lettings	3	<u>1,463,259</u>	<u>(1,072,333)</u>	<u>390,926</u>	<u>227,009</u>
Other activities	4	<u>45,789</u>	<u>(29,995)</u>	<u>15,794</u>	<u>14,531</u>
Total		<u>1,509,048</u>	<u>(1,102,328)</u>	<u>406,720</u>	<u>241,540</u>
Total for previous period of account		<u>1,511,098</u>	<u>(1,269,558)</u>	<u>241,540</u>	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013 (Continued)

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

	General Needs Housing £	Supported Housing Accommodation £	Shared Ownership £	Other £	2013 Total £	2012 Total £
Rent receivable net of service charges	1,454,034	-	14,382	-	1,468,416	1,406,691
Service charges	-	-	-	-	-	-
Gross income from rents and service charges	1,454,034	-	14,382	-	1,468,416	1,406,691
Less: Voids	(5,157)	-	-	-	(5,157)	(1,045)
Net income from rents and service charges	1,448,877	-	14,382	-	1,463,259	1,405,646
Grants from the Scottish Ministers	-	-	-	-	-	-
Other revenue grants	-	-	-	-	-	-
Total turnover from social letting activities	1,448,877	-	14,382	-	1,463,259	1,405,646
Management and maintenance administration costs	509,948	-	14,382	-	524,330	476,279
Service costs	-	-	-	-	-	-
Planned and cyclical maintenance including major repairs costs	163,296	-	-	-	163,296	356,465
Reactive maintenance costs	135,854	-	-	-	135,854	124,649
Bad debts - rents and service charges	11,628	-	-	-	11,628	7,005
Depreciation of social housing	237,225	-	-	-	237,225	214,239
Impairment of social housing	-	-	-	-	-	-
Operating costs for social letting activities	1,057,951	-	14,382	-	1,072,333	1,178,637
Operating surplus/(deficit) for social lettings	390,926	-	-	-	390,926	227,009
Operating surplus/(deficit) for social letting for previous period of account	227,009	-	-	-	227,009	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013 (Continued)

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

	Grants from Scottish Ministers £	Other revenue grants £	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	6,675	-	-	-	6,675	-	5,136	1,539	5,138
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-	-
Development and construction of property activities	-	-	-	-	-	-	-	-	-
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Agency/management services for registered social landlords	-	-	-	39,100	39,100	-	24,859	14,241	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	-	-	-	14	14	-	-	14	12
Total from other activities	6,675	-	-	39,114	45,789	-	29,995	15,794	14,531
Total from other activities for the previous period of account	85,035	-	-	20,417	105,452	-	90,921	14,531	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013 (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.

	2013	2012
	£	£
Total Emoluments (including pension contributions and benefits in kind)	<u>73,273</u>	<u>69,837</u>
Emoluments of highest paid director (excluding pension contributions)	<u>68,779</u>	<u>63,421</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>1,718</u>	<u>1,694</u>

Re-imburement 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	244,210	222,362
Social Security Costs	19,897	18,966
Pension Contributions	<u>32,792</u>	<u>32,827</u>
	<u>296,899</u>	<u>274,155</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013 (Continued)

7. OPERATING SURPLUS

	2013	2012
		£
Operating surplus is stated after charging:-		
Depreciation	253,777	235,228
Auditor's remuneration - Audit Services	<u>8,210</u>	<u>6,500</u>

8. INTEREST PAYABLE

On bank loans and overdrafts	<u>97,798</u>	<u>137,515</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 2013 (Continued)

10(a) TANGIBLE FIXED ASSETS

	Properties Held for Letting £	Properties Under Construction £	Completed Shared Ownership Properties	Total £
Cost or Valuation				
At 1 April 2012	41,848,367	-	371,926	42,220,293
Additions	408,839	-	-	408,839
Disposals	(196,408)	-	-	(196,408)
Transfer	-	-	-	-
Revaluation	-	-	-	-
At 31 March 2013	<u>42,060,798</u>	-	371,926	<u>42,432,724</u>
Social Housing Grant				
At 1 April 2012	30,041,347	-	304,653	30,346,000
Additions	30,003	-	-	30,003
Disposals	(162,336)	-	-	(162,336)
Transfer	-	-	-	-
At 31 March 2013	<u>29,909,014</u>	-	304,653	<u>30,213,667</u>
Depreciation				
At 1 April 2012	421,903	-	-	421,903
Provided during year	237,225	-	-	237,225
Disposals	(4,542)	-	-	(4,542)
On revaluation	-	-	-	-
At 31 March 2013	<u>654,586</u>	-	-	<u>654,586</u>
Net Book Value at 31 March 2013	<u>11,497,198</u>	-	67,273	<u>11,564,471</u>
Net Book Value at 31 March 2012	<u>11,385,117</u>	-	67,273	<u>11,452,390</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. An Interim valuation was carried out as at 31 March 2013 by A.C Davidson & Co, Financial Consultants, using the same basis and no change was made to the property values at the year end.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013 (Continued)

10(b) TANGIBLE FIXED ASSETS (Continued)

	Office Premises £	Office Furniture £	Office Equipment	CCTV System £	Total £
Cost					
At 1 April 2012	515,641	42,513	76,653	30,948	665,755
Additions	-	-	-	-	-
Revaluation	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2013	<u>515,641</u>	<u>42,513</u>	<u>76,653</u>	<u>30,948</u>	<u>665,755</u>
Depreciation					
At 1 April 2012	111,108	41,939	70,986	30,947	254,980
Charge for the year	10,313	573	5,666	-	16,552
Disposals	-	-	-	-	-
At 31 March 2013	<u>121,421</u>	<u>42,512</u>	<u>76,652</u>	<u>30,947</u>	<u>271,532</u>
Net Book Value at 31 March 2013	<u>394,220</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>394,223</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>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013 (Continued)

11. DEBTORS

	2013	2012
	£	£
Amounts falling due within one year:		
Arrears of rental charges	43,910	37,570
Prepayments and accrued income	33,529	29,838
Other debtors	<u>41,634</u>	<u>66,063</u>
	<u><u>119,073</u></u>	<u><u>133,471</u></u>

12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

Housing loans	235,252	230,203
Trade creditors	50,025	91,115
Corporation tax	-	-
Other taxes and social security	6,457	5,884
Other creditors	293,369	65,978
Accruals and deferred income	<u>11,133</u>	<u>21,106</u>
	<u><u>596,236</u></u>	<u><u>414,286</u></u>

13. CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR

Housing loans:-		
Due between one and two years	240,623	235,371
Due between two and five years	731,974	715,249
Due after five years	<u>2,902,833</u>	<u>3,174,050</u>
	<u><u>3,875,430</u></u>	<u><u>4,124,670</u></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 2013 (Continued)

14. SHARE CAPITAL

	2013 £	2012 £
Shares of £1 each, fully paid and issued		
Allotted, issued and fully paid at 1 April 2012	442	434
Issued during the year	17	20
Forfeited during the year	<u>(14)</u>	<u>(12)</u>
At 31 March 2013	<u>445</u>	<u>442</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 2013, shares issued were split as follows:

	No	No
Active members	445	442
Ceased members	<u>-</u>	<u>-</u>
	<u>445</u>	<u>442</u>

15. DESIGNATED RESERVES

	2013 £
Planned Maintenance	
Balance at 1 April 2012	1,665,571
Transferred in year	-
Balance at 31 March 2013	<u>1,665,571</u>

16. REVALUATION RESERVE

	2013 £
Balance at 1 April 2012	6,238,238
Release against loss on disposal of fixed assets	(29,530)
Release to revenue reserve	(88,221)
Balance at 31 March 2013	<u>6,120,487</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013 (Continued)

17. REVENUE RESERVE

	2013 £
Balance at 1 April 2012	683,506
Surplus for the year	310,128
Release from revaluation reserve	88,221
Transfer to designated reserves	<u>-</u>
At 31 March 2013	<u><u>1,081,855</u></u>

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

	2013	2012
	£	£
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	406,720	241,540
Depreciation	253,776	235,228
Loss on sale of assets	-	-
Forfeited shares	(14)	(12)
(Increase)/decrease in debtors	14,397	(16,039)
Increase/(decrease) in creditors	<u>176,901</u>	<u>(49,282)</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u><u>851,780</u></u>	<u><u>411,435</u></u>

19. RECONCILIATION OF NET CASHFLOW
TO MOVEMENT IN NET DEBT

(Decrease)/increase in cash in year	132,180	(97,558)
Loan repayments	<u>244,190</u>	<u>222,391</u>
Change in net debt	376,370	124,833
Net debt at 1 April 2012	<u>(3,224,796)</u>	<u>(3,349,629)</u>
Net debt at 31 March 2013	<u><u>(2,848,426)</u></u>	<u><u>(3,224,796)</u></u>

20. ANALYSIS OF CHANGES IN NET DEBT

	As at 1 April 2012 £	Cash Flow £	Other Changes £	As at 31 March 2013 £
Cash at bank and in hand	1,130,077	132,180	-	1,262,257
Debt due within 1 year	(230,203)	230,203	(235,252)	(235,252)
Debt due after 1 year	<u>(4,124,670)</u>	<u>13,989</u>	<u>235,252</u>	<u>(3,875,429)</u>
	<u><u>(3,224,796)</u></u>	<u><u>376,372</u></u>	<u><u>-</u></u>	<u><u>(2,848,424)</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013 (Continued)

21. HOUSING STOCK	2013	2012
	No	No
The number of units of accommodation in management at the year end was:		
General needs	552	552
Shared ownership	<u>5</u>	<u>5</u>
	<u><u>557</u></u>	<u><u>557</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013 (Continued)

22. 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 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 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 2013 (Continued)

22. 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 2012. As of this date the estimated employer debt for Spire View Housing Association Limited was £1,975,182.

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 2013 (Continued)

22. 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 (SIPA) All Pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement
Pensioners	SAPS (SIPA) 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 £32,792 (2012: £32,827) 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 £6,711 (2012: £6,416) of contributions towards the Director's pension in the year.

23. 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.