

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

Registered Housing Association No. HCB 205

Financial Services Authority No. 1931R(S)

Charity No SC 035633

BAKER TILLY UK AUDIT LLP
Chartered Accountants
Glasgow

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

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Registration Particulars:

Financial Services Authority

Industrial and Provident Societies Act 1965
Registered Number 1931 R(S)

Scottish Housing Regulator

Housing (Scotland) Act 2001
Registered Number HCB 205

Office of Scottish Charity Regulator

Charity and Trustee Investment Act (Scotland) 2005
Scottish Charity Number SC 035633

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2012

The Committee of Management present their report and audited financial statements for the year ended 31 March 2012.

Principal activity

The principal activity of Whiteinch and Scotstoun Housing Association Limited (WSHA) is the provision of housing for let at rents affordable to the client groups for whom it intends to provide.

Our Strategic Aims

Whiteinch and Scotstoun Housing Association Limited has as its Strategic Aims:

Growth: Due to the downturn in development funding and locally high land values, opportunities for future new build projects are limited. The Association will however explore the feasibility of different types of funding approaches, while remaining open to any possible opportunities within the area of operation.

The Association has recently completed a new build development at Fore Street of fifteen units.

The Association received a positive ballot result in March 2011 from the tenants of the Glasgow Housing Association Limited (GHA) stock in voting for Second Stage Transfer. The percentage of tenants who voted was 45.4% and of this 84% voted in favour of transfer. The Second Stage Transfer of three hundred and nineteen units was completed on the 27th June 2011 at a cost of £474,419.

Diversification: Whiteinch & Scotstoun Housing Association has been involved in Wider Role (that is, non-housing projects and activities) for some years now. This includes activities, such as regeneration projects (one-stop-shop; welfare advice; environmental developments; Whiteinch Community Association/Neighbourhood Centre support) and setting up a non-charitable subsidiary.

Over the next year, the Association will continue to reassess its Wider Role Strategy and determine its medium to longer-term approach.

Consolidation: the Association is keenly aware that it is operating in a culture of continuous improvement. Consequently, the Association has been developing and extending its performance management systems. In addition, WSHA has joined a Quality and Efficiency Forum, made up of a variety of Registered Social Landlords with the aim of sharing experiences and comparing performance with a view to assisting continuous improvement.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2012 (continued)

Our vision is one of 'Aiming for High Quality Homes in a Desirable Environment'. Some of the main objectives which we think can help achieve this aim include:

- demonstrating innovation in housing design, where possible influencing the practice of others and helping to raise standards generally
- achieving continuous improvement in all the services we deliver, and achieving and maintaining high standards of business efficiency and effectiveness
- creating opportunities for significant levels of user involvement in what we do
- being recognised by regulators and strategic partners as delivering excellent performance

We see these as challenging objectives, which will change the way we deliver our core services of housing, housing support, advice, and consultancy. In particular, we seek to challenge what we currently do and look to improve, rather than simply carry on with existing patterns of work.

Business review

The Association made a surplus of £538,311 (2011 – restated surplus £313,798) during the year. Following the implementation of the Statement of Recommended Practice – Accounting by registered social housing providers – Update 2010 (SORP 2010), the Association has implemented component accounting. As a result of the changes brought about by the SORP 2010 and the detailed guidance of the Technical Notes, the Association has adopted a new accounting policy, which has resulted in a prior period adjustment. The 2011 comparative figures have been restated. This is further explained in Section 6 of the Operational Report of the Committee of Management and in Note 24 to the financial statements.

The Association continued with its investment in planned and cyclical works throughout 2011-2012. The total expenditure on planned and cyclical works expensed in the year amounted to £328,968 (2011 – restated £599,239). The Association has capitalised £1,873,523 (2011 – restated £87,098) of this expenditure.

Despite this expenditure WSHA is in a strong financial position with over £1.5m deposited as cash funds, and has revolving loan facilities available to it on demand. WSHA continues to have a substantial major repair investment programme over the next five years. We have also provided substantial funds over the next five years to meet our commitments under the Scottish Housing Quality Standards. Cash surpluses will continue to be made, subject to our planned major repair programme over the next few years.

Surplus for the year and transfers

The results for the year are shown in the Income and Expenditure Account on page 14. The surplus for the year of £538,311 (2011 £313,798 – surplus restated) has been dealt with as follows:

	£
Transfers to designated reserves:	
Major repairs reserve	439,983
Transferred from revenue reserve	(439,983)
	<hr/>
	-
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WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2012 (continued)

Members of Committee of Management

The Members of the Committee of Management of the Association during the year to 31 March 2012 were as follows:

David Marks (Chairperson)	Rachel Brown
Christine Madden (Vice-Chairperson)	Jim Higgins
Marie Davies (Joined 28/03/2012)	Alan Henshelwood
Mrs E Willis (Resigned 05/10/2011)	Archie Cameron (Joined 22/06/2011 – Resigned 15/02/2012)
Elizabeth MacDonald	Chris Watson (Joined 01/02/2012)
Stuart Donald (Joined 22/06/2011)	
Helen Brown	
Kathy Clark	

Each member of the Committee of Management holds one fully paid share of £1 in WSHA. The executive officers of WSHA hold no interest in WSHA's share capital and although not having the legal status of "director" they act as executives within the authority delegated by the Committee.

Directors

The Directors of WSHA during the year to 31 March 2012 were as follows:

Mr Ian Morrison	Chief Executive
Mrs Karen McQueen	Deputy Chief Executive and Secretary
Mr Andrew Reid	Financial Services Manager
Mr Jim Calderwood	Housing Manager
Ms Fiona Birse	Projects Manager

Operational Review

1 Corporate Governance

WSHA has a Committee of Management who are elected by the members of the Association. (See below for details). It is the responsibility of the Committee to undertake the strategy, setting of policy and overall direction for the Association. They also monitor the operational activities of the Association. The members of the Committee of Management are unpaid.

The Executive Team of WSHA (as listed above) are responsible for achieving the strategy set, and undertaking the operational activities in line with the policies set.

Our governing body is our Committee of Management, which is responsible to the wider membership. Committee of Management members serve in a voluntary capacity, and we recognise that this puts even more onus on us to ensure that we set and achieve high standards of professionalism in our work. We take governance very seriously, and in the last year we continued to build on work from previous years which strengthened our governance arrangements.

This report details issues that have arisen during the year relating to the main activities undertaken by WSHA.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2012 (continued)

2 Corporate Issues

Tenant involvement and participation is a major part of WSHA's Aims and Objectives, and we continue to review how WSHA involves tenants in its activities.

Performance Management

The Association is conscious that staff performance is the key to quality service delivery. In support of this, the senior management team undertook a development programme in the last year with consideration now being applied to extending and building on this. In addition, training needs will be considered for all staff through the staff development system.

Best use of resources

We regularly conduct risk assessments, and take any action necessary to reduce or limit risk. We have started a programme of major investment in our housing stock, which is by far our most costly asset. This includes both carrying out major repairs, and also considering whether any of our older schemes should be remodelled to meet the changing requirements of tenants in the future. We are updating our stock condition information, to ensure that our long-term financial planning reflects our future investment requirements. We have begun a programme of best value reviews, to look for efficiencies and economies in the way that we carry out business processes.

Services

We aim to deliver high quality services, and we set ourselves the goal of achieving continuous improvement in what we do. Inspections of our supported scheme by the Care Commission confirmed that we have a good standard of service, with few suggestions being made for improvement. In our housing stock, we moved ahead with some major repairs that had become necessary, introduced improved arrangements for gas servicing, and brought new schemes into management.

Our rent arrears management improved, with clearer information to tenants. We continued to deliver many completed adaptations to existing properties, to meet the specific needs of our tenants.

3 Development Issues

The year just completed has been busy. We have spent £2,966,657 on developing housing stock (2011 - £3,649,300) during the year, of which £261,596 (2011 - £2,345,551) is funded by grants received from Glasgow City Council (Housing Association Grant).

4 Housing Issues

Whiteinch continues to work on reducing the period of time taken to re-let or let new properties and to ensure that we maximize our effectiveness in housing people in need and reduce our costs. The rent loss due to empty properties was £48,623 (2011 - £32,134).

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2012 (continued)

5 Finance and IT Issues

The Committee of Management approved a proposal for the Association to replace its current data management system and entered into a contract with Capita for the provision of its Open Housing and Financial software the implementation of which was carried out during 2011-2012, with enhancements planned for 2012-2013.

6 Component Accounting

WSHA has adopted Component Accounting into its financial statements this year in compliance with the SORP 2010. Major Components (Note 1) of our buildings are identified and depreciated over specific economic life spans. Their replacement is then capitalised in the accounts as they occur. There are resulting prior year adjustments shown to the relevant notes to the accounts and detailed in Note 24.

7 Other Areas

Risk Management Policy

The Committee have a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the Association faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Committee review the adequacy of the Association's current internal controls.

In addition, the Committee have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although this is not mandatory for the Association it should, as a public interest body, adopt these guidelines as best practice. Accordingly they have set policies on internal controls which cover the following:

- consideration of the type of risks the Association faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks concerned materialising;
- the Association's ability to reduce the incidence and impact on the business of risks that do materialise; and the costs of operating particular controls relative to the benefit obtained.
- clarified the responsibility of management to implement the Committee's policies and to identify and evaluate risks for their consideration.
- communicated that employees have responsibility for internal control as part of their accountability for achieving objectives.
- embedded the control system in the charity's operations so that it becomes part of the culture of the Association.
- developed systems to respond quickly to evolving risks arising from factors within the charity and to changes in the external environment.
- included procedures for reporting failings immediately to appropriate levels of management and the Committee together with details of corrective action being undertaken.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2012 (continued)

Treasury Management

The Association has an active treasury management function, which operates in accordance with the Treasury Management Policy approved by the Committee of Management. In this way the Association manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held.

The Association, as a matter of policy, does not enter into transactions of a speculative nature. At 31 March 2012, the Association has a mix of fixed and variable rate finance, which it considers appropriate at this time.

Maintenance policies

The Association seeks to maintain its properties to the highest standard. To this end, programmes of cyclical repairs are carried out in the medium term to deal with the gradual and predictable deterioration of building components. It is expected that the cost of all these repairs would be charged to the Income and Expenditure account.

In addition, the Association has a long-term programme of major repairs to cover for works which have become necessary since the original development was completed, including works required by subsequent legislative changes. This includes replacement or repairs to features of the properties, which have come to the end of their economic lives. In line with the SORP 2010, replacements to building components (as identified in Note 1) are capitalised in the accounts as they occur. All other major repairs are charged to the Income and Expenditure account.

Internal Financial Control

The Committee of Management is responsible for establishing and maintaining the Association's system of internal control. Internal control systems are designed to meet the particular needs of the Association and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The key procedures which the Committee of Management has established with a view to providing effective internal financial control are outlined on pages 10 and 11.

Management Structure

The Committee of Management has overall responsibility for the Association and there is a formal schedule of matters specifically reserved for decision by the Committee.

Quality and Integrity of Personnel

The integrity and competence of personnel are ensured through high recruitment standards and subsequent training courses. High quality personnel are seen as an essential part of the control environment and the ethical standards expected are communicated through the Chief Executive.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2012 (continued)

Budgetary Process

Each year the Committee of Management approves the annual budget and rolling five-year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Committee of variances from the budget, updated forecasts for the year together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure and treasury management.

Investment Appraisal

Capital expenditure is regulated by budgetary process and authorisation levels. For expenditure beyond specified levels, detailed written proposals have to be submitted to the Committee. Reviews are carried out during the development period, to monitor expenditure and performance.

Rental Income

The Association's Rent Policy is a points system based on the size, type and facilities of the accommodation. The policy ensures that the rent structure is easy to administer and covers the wide variations within the Association's properties. This policy follows the generally accepted practice/principles of the Housing Movement.

Employee Involvement and Health & Safety

The Association encourages employee involvement in all major initiatives.

Disabled Employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the Association may continue. It is the policy of the Association that training, career development and promotion opportunities should be available to all employees.

Credit Payment Policy

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

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2012 (continued)

General Reserves Policy

The Committee members have reviewed the reserves of WSHA. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. The review concluded that to allow WSHA to be managed efficiently and to provide a buffer for uninterrupted services, a general reserve equivalent to three month's operating cost (£500,000) should be maintained.

The Association has one other designated fund. The purpose of this fund is detailed in note 1 in the financial statements.

Sales of housing properties

Properties are disposed of under the appropriate legislation and guidance. All costs, first tranche sales, and grants relating to the share of property sold are removed from the financial statements at the date of sale. Any grants received that cannot be repaid from the proceeds of sale are abated and the grants removed from the financial statements.

Future developments

The Association intends to continue with its policy of improving the quality of housing within its area of operation.

Information for the auditors

As far as the Committee members are aware there is no relevant audit information of which the auditors are unaware and the Committee 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.

Date:

20/06/2012

On behalf of the Committee of Management



Karen McQueen
Secretary

The Whiteinch Centre
1 Northinch Court
Glasgow
G14 0UG

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

STATEMENT OF COMMITTEE RESPONSIBILITIES

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

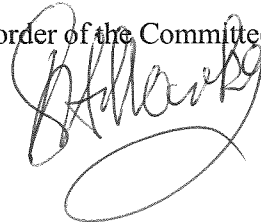
Under the legislation relating to Industrial and Provident Societies the Committee of Management are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association of that period. In preparing those financial statements the Committee of Management are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the RSL SORP;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Committee of Management is also responsible for:

- keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the RSL and enable them to ensure that the financial statements comply with the Industrial and Provident Societies Act 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) 2007;
- safeguarding the Association's assets; and
- taking reasonable steps for the prevention and detection of fraud.

By order of the Committee of Management



David Marks

Date: 20/06/2012

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

COMMITTEE OF MANAGEMENT'S STATEMENT OF INTERNAL FINANCIAL CONTROLS

31 MARCH 2012

The Committee of Management acknowledge their ultimate responsibility for ensuring that the Association 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 Association or for publication
- the maintenance of proper accounting records; and
- the safeguarding of assets (against unauthorised use or disposition).

It is the Committee of Management'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 Association's assets.
- experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance.
- forecasts and budgets are prepared regularly which allow the Committee of Management and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year 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, through relevant sub-committees comprising Committee of Management members and others.
- the Committee of Management review reports from management, from directors, 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 Association.
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

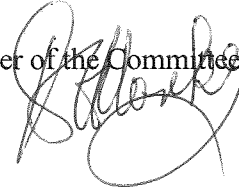
COMMITTEE OF MANAGEMENT'S STATEMENT OF INTERNAL FINANCIAL CONTROLS

31 MARCH 2012

(Continued)

The Committee of Management have reviewed the system of internal financial control in existence in the Association for the year ended 31 March 2012 and until the below date. The system of internal financial control will ensure that there are no known material losses, contingencies or uncertainties which would require disclosure in the financial statements or in the Auditors' Report on the financial statements.

By order of the Committee of Management



David Marks

Date:

20/06/2012

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

AUDITORS' REPORT ON CORPORATE GOVERNANCE MATTERS

Corporate Governance

In addition to our audit of the financial statements, we have reviewed the Committee of Management's statement on pages 10 and 11 concerning the Association's compliance with the information required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing".

Basis of Opinion

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

Opinion

In our opinion the statement on internal financial control on pages 10 and 11 has provided the disclosures required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing" and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP
Statutory Auditor
Breckenridge House
274 Sauchiehall Street
Glasgow G2 3EH

Date: *22 June 2012*

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Whiteinch & Scotstoun Housing Association Limited for the year ended 31 March 2012 on pages 14 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members as a body, in accordance with section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an 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 the Committee and auditor

As explained more fully in the Committee's Responsibilities Statement set out on page 9, the Committee 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 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 prepared in accordance with the requirements of 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 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.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP
Statutory Auditor
Breckenridge House
274 Sauchiehall Street
Glasgow G2 3EH

Date: *22 June 2012*

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

	Notes	2012	2011
		£	As restated
			£
Turnover	2	4,684,252	3,699,814
Less: Operating costs	2	<u>(4,014,197)</u>	<u>(3,267,953)</u>
Operating surplus	2	670,055	431,861
Profit on sale of fixed assets		2,418	-
Interest receivable and other income		2,611	18,129
Interest payable and other charges	5	<u>(136,773)</u>	<u>(136,012)</u>
Surplus on ordinary activities before tax		538,311	313,978
Taxation on surplus on ordinary activities	6	-	-
Surplus on ordinary activities after tax	8	<u>538,311</u>	<u>313,978</u>

All activities relate to continuing activities within the year.

**STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS FOR THE YEAR
ENDING 31 MARCH 2012**

		2012	2011
		£	As restated
			£
Surplus for the year		<u>538,311</u>	<u>313,978</u>
Prior period adjustment	24	<u>(98,328)</u>	-
Total surpluses and deficits recognised since last reporting period		<u>439,983</u>	<u>313,978</u>

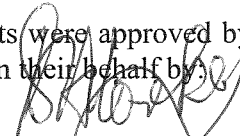
WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED


BALANCE SHEET

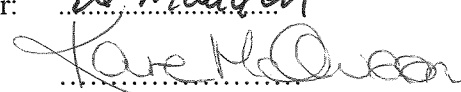
AS AT 31 MARCH 2012

	Notes		2012		2011
			£	£	As restated £
Tangible Fixed Assets					
Housing properties					
- gross cost less depreciation	9		54,662,410		51,526,989
Less: HAG	9		<u>(46,477,967)</u>		<u>(46,295,660)</u>
			8,184,443		5,231,329
Other Assets	9		<u>1,153,503</u>		<u>1,202,459</u>
			9,337,946		6,433,788
Current Assets					
Debtors	10	218,575			185,550
Cash at hand and in bank		1,887,978			3,215,877
			<u>2,106,553</u>		<u>3,401,427</u>
Current Liabilities					
Creditors due within one year	11	<u>(2,164,565)</u>			<u>(1,506,352)</u>
Net Current Assets			(58,012)		1,895,075
			<u>9,279,934</u>		<u>8,328,863</u>
Creditors due after one year	12		(2,617,876)		(2,205,111)
Net Assets			<u>6,662,058</u>		<u>6,123,752</u>
Capital and Reserves					
Share capital	15		70		75
Designated reserves	7		6,161,988		5,722,005
Revenue Reserves	8		500,000		401,672
			<u>6,662,058</u>		<u>6,123,752</u>

674 These financial statements were approved by the Committee of Management and authorised for issue on 20/12/11 and signed on their behalf by:

Committee Member: 

Committee Member: 

Secretary: 

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

CASH FLOW STATEMENT

YEAR TO 31 MARCH 2012

			2012	2011
	Note	£	£	As restated £
Net cash inflow from operating activities	16		2,048,865	938,148
Returns on investments and servicing of finance				
Interest received		2,611		18,129
Interest paid		(136,773)		(136,012)
			(134,162)	(117,883)
Investing activities				
Cash paid for construction and purchases		(2,996,282)		(3,736,398)
Cash paid for SST		(474,419)		-
Housing association grant received		255,562		2,345,551
Housing association grant repaid		(23,500)		-
Sales of housing properties		26,798		-
Purchase of other fixed assets		(72,616)		(202,209)
Net cash outflow from investing activities			(3,284,457)	(1,593,056)
Net cash outflow before financing			(1,369,754)	(772,791)
Financing				
Loan received		500,000		-
Loan principal repayments		(458,148)		(131,400)
Increase in share capital		3		4
Net cash inflow/(outflow) from finance			41,855	(131,396)
Decrease in cash	16		(1,327,899)	(904,187)

Further details are given in note 16.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(continued)

1. Accounting Policies

The Association is incorporated under the Industrial and Provident Societies Act 1965 and is registered by The Financial Services Authority. The accounts have been prepared under the historical cost convention, and in compliance with The Registered Social Landlords Accounting Requirements (Scotland) Order 2007 and The Statement of Recommended Practice (SORP), "Accounting by Registered Social Housing Providers, Update 2010".

(a) Accounting Policies

The principal accounting policies of the Association are set out in the paragraphs (b) to (q) below.

(b) Finance

The financial statements have been prepared on the basis that the capital expenditure referred to in note 9 will be grant aided, funded by loans, met out of reserves, or from proceeds of sales.

(c) Mortgages

Mortgage loans and development overdrafts are advanced by private lenders under the terms of the individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments, which have been given approval for Housing Association Grant.

(d) Housing Association Grants

Housing Association Grants (HAG) were utilised to reduce the amount of mortgage loan in respect of an approved scheme to the amount, which it is estimated can be serviced by the net annual income of the scheme. The amount of HAG is calculated on the qualifying cost (note 1(f)) of the scheme in accordance with instructions issued from time to time by the grant awarding body.

(e) Housing Association Grant - Acquisition and Development Allowances Receivable

Acquisition and Development Allowances are intended to finance certain internal administrative costs relating to the acquisition and development of housing land and buildings for approved schemes. Development Allowances become available in instalments according to the progress of work on the scheme. These Allowances are credited to development costs when they are receivable.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(continued)

(f) **Fixed Assets - Housing Land and Buildings** (note 9)

Properties included in housing properties are stated at cost. The cost of such properties includes the following:

- (i) cost of acquiring land and buildings
- (ii) development expenditure including applicable overheads
- (iii) interest charged on the loans raised to finance the scheme
- (iv) cost of replacing components

These costs are either termed "qualifying costs" for approved HAG schemes and are considered for mortgage loans by the relevant lending authorities or they are met out of the Association's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value before retentions are included in the financial statements for the year, provided that the dates of issue or valuations are prior to the year end.

Development costs are capitalised to the extent that they are attributable to specific schemes and where such costs are not excessive.

If expenditure does not qualify for HAG, it is nevertheless capitalised.

Expenditure on schemes, which are subsequently aborted, is written off in the year in which it is recognised that the scheme will not be developed to completion.

Interest on the loan financing the development is capitalised up to the relevant date of completion.

(g) **Depreciation**

(i) **Housing Properties**

Housing Properties are stated at cost, less social housing and other public grants and less accumulated depreciation.

Depreciation is charged on a straight-line basis over the expected economic useful lives of each major component that makes up the housing property as follows;

Land	Not depreciated
Structure	Over 50 years
Roof	Over 50 years
Windows & Doors	Over 30 years
Bathrooms	Over 30 years
Kitchens	Over 15 years
Gas Systems inc Radiators	Over 30 years
Boilers	Over 15 years
Lifts	Over 30 years

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(continued)

(ii) Other Fixed Assets

The Association's assets are written off evenly over their expected useful lives as follows:

Office premises	-	over 50 years
Furniture, fittings & equipment	-	over 5 years

A full year's depreciation is charged on these assets in the year of purchase, but no charge is made in the year of disposal.

(h) Impairment of Fixed Assets

Reviews for impairment of housing properties are carried out on an annual basis and any impairment in an income-generating unit is recognised by a charge to the income and expenditure account. Impairment is recognised where the carrying value of an income-generating unit exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows from these units.

Impairment of assets would be recognised in the income and expenditure account.

(i) Reserves

Designated Reserve - Reserves for Major Repairs (note 7)

Major repair expenditure, being the Association's commitment to undertake major and cyclical repairs to its properties, is set aside in a designated reserve to the extent that it is not met from HAG.

(j) Apportionment of Management Expenses

Direct employee administration and operating costs have been apportioned to the income and expenditure account on the basis of costs of the staff to the extent that they are directly engaged in each of the operations dealt with in those accounts.

(k) Lease Obligations

Rentals paid under operating leases are charged to the income and expenditure account on the accruals basis.

(l) Value Added Tax

The Association is VAT registered. However, a large proportion of the income, namely rents, is exempt for VAT purposes and therefore gives rise to a partial exemption calculation. Expenditure as a result is shown inclusive of VAT.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(continued)

(m) **Pensions**

The Association participates in the centralised SFHA Defined Benefit Pension Scheme and retirement benefits to employees of the Association are funded by contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating associations taken as a whole.

The expected cost to the Association of pensions is charged to the Income and Expenditure Account so as to spread the cost of pensions over the service lives of the employees.

(n) **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, except for first tranche sales. Any grants received that cannot be repaid from the proceeds of sale are abated and the grants removed from the financial statements.

(o) **Improvements**

In previous years, improvements were only capitalised where these result in an enhancement of the economic benefits of the property. Such enhancement can occur if the improvements result in:-

- an increase in rental income or
- 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.

The adoption of Component Accounting during the year represents a change in accounting policy. Previously the major components of the Association's housing properties were deemed to be land and buildings. The major components are now deemed to be Land, Structure, Roofs, Windows, Kitchens, Bathrooms and Central Heating. Each component has a substantially different economic life and is depreciated over this individual life. Depreciation rates are shown in Note 1(g)(i). The new accounting policy is compliant with the SORP 2010.

(p) **Turnover**

Turnover represents rental income receivable from tenants, development administration and other income.

(q) **Service Charges Recoverable**

Service charges represent income recoverable from tenants for factoring of the properties managed by the Association.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012
(Continued)

2. Particulars of turnover, operating costs, operating deficit

	Turnover £	Operating Costs £	Operating Surplus/ (Deficit) £	Operating Surplus/(Deficit) As restated 2011 £
Social lettings	4,281,636	(3,358,395)	923,241	558,782
Other activities	402,616	(655,802)	(253,186)	(126,921)
Total	<u>4,684,252</u>	<u>4,014,197</u>	<u>670,055</u>	<u>431,861</u>
As restated 2011	<u>3,699,814</u>	<u>(3,267,953)</u>	<u>431,861</u>	

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

3a. Particulars of turnover, operating costs, operating deficit from social lettings

	General Needs Housing £	Shared Ownership Housing £	Supported Housing Accommodation £	2012 Total £	2011 As restated Total £
Income from lettings					
Rent receivable net of identifiable service charges	3,879,366	1,842	73,965	3,995,173	3,121,181
Service charges receivable	371,461	81	3,544	375,086	212,470
Gross income from rents and service charges	4,250,827	1,923	77,509	4,330,259	3,333,651
Less voids	(48,623)	-	-	(48,623)	(32,134)
Net income from rents and service charges	4,202,204	1,923	77,509	4,281,636	3,301,517
Grant from Scottish Ministers	-	-	-	-	8,000
Total turnover from social letting activities	4,202,204	1,923	77,509	4,281,636	3,309,517
Expenditure on Letting Activities					
Management and maintenance administration costs	1,452,550	553	23,211	1,476,314	1,348,000
Service costs	366,031	143	5,989	372,163	207,696
Planned and cyclical maintenance including major repairs	323,548	126	5,294	328,968	512,141
Reactive maintenance	835,232	325	13,666	849,223	416,994
Bad debts – rents and service charges	47,702	-	-	47,702	(18,899)
Depreciation of social housing	284,025	-	-	284,025	284,803
Operating costs for social letting activities	3,309,088	1,147	48,160	3,358,395	2,750,735
Operating surplus for social lettings	893,116	776	29,349	923,241	558,782
As restated - 2011	541,522	408	16,852	558,782	

The amount of service charges receivable on housing accommodation not eligible for Housing Benefit was £nil (2011 - £nil).

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012
(Continued)

3b – Particulars of turnover, operating costs, operating 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 or (deficit)	2011
	£	£	£	£	£	£	£	£	£
Wider action/wider role	44,324	36,000	-	-	80,324	-	133,067	(52,743)	-
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	178,621	178,621	16,374	159,468	2,780	1,726
Development and construction of property activities	-	17,361	-	-	17,361	-	124,286	(106,925)	(133,059)
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	2,397	-	-	2,397	-	2,397	-	-
Agency/management services for registered social landlords	-	-	-	-	-	-	-	-	-
Other agency/management services	-	-	-	-	-	-	-	-	4,412
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to non registered social landlords	-	-	-	-	-	-	-	-	-
Other activities – second stage transfer	-	-	-	123,913	123,913	-	220,210	(96,298)	-
Total from other activities	44,324	55,758	-	302,534	402,616	16,374	639,428	(253,186)	(126,921)
2011	37,930	41,146	2,868	308,353	390,297	5,670	511,548	(126,921)	

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012
(Continued)

	2012	2011
	£	£
4. Sale of fixed assets		
Sale proceeds	64,500	-
Cost of sales	62,082	-
Gain on disposal	<u>2,418</u>	<u>-</u>

The sales of housing properties have occurred under the right to buy legislation, and shared ownership sales.

5. Interest Payable

Interest payable in the year has been charged as follows:

Loans	136,773	136,012
Less: Capitalised in housing properties	-	-
	<u>136,773</u>	<u>136,012</u>

6. Taxation

The Association became a charity on 11 June 2004 and from that date is not taxable on its exempt activities.

7. Designated Reserves

	1 April 2011 £	From Revenue Reserve £	31 March 2012 £
Major repairs reserve	<u>5,722,005</u>	<u>439,983</u>	<u>6,161,988</u>

No restrictions are placed upon these reserves, but the Committee of Management has designated their use for specific purposes

8. Revenue reserve

	2012 £	2011 As restated £
At 1 April 2011 as originally reported	500,000	461,435
Prior Year Adjustment (Note 24)	(98,328)	-
At 1 April 2011 as restated	<u>401,672</u>	<u>461,435</u>
Surplus for year	538,311	313,978
Transfer to designated reserves	(439,983)	(373,741)
At 31 March 2012	<u>500,000</u>	<u>401,672</u>

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2012
(Continued)

9 Tangible Fixed Assets

	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Completed Shared Ownership Properties £	Major Renewals Properties Held for Letting £	Office Premises £	Furniture Fittings & Equipment £	Total £
Cost							
At 1 April 2011	51,894,019	838,851	30,392	233,809	1,128,335	411,556	54,536,962
Prior Period Adjustment (Note 24)	1,605,298	-	-	(233,809)	-	-	1,371,489
As re-stated	53,499,317	838,851	30,392	-	1,128,335	411,566	55,908,451
Additions during year	526,044	2,966,657	-	-	433	72,183	3,565,317
Transfers	1,931,985	(1,931,985)	-	-	-	-	-
Disposals in year	(73,255)	-	-	-	(36,000)	-	(109,255)
At 31 March 2012	55,884,091	1,873,523	30,392	-	1,092,768	483,739	59,364,513
Housing Association Grant							
At 1 April 2011	45,851,401	796,527	21,558	-	-	-	46,669,486
Prior Period Adjustment (Note 24)	(373,826)	-	-	-	-	-	(573,826)
As re-stated	45,477,575	796,527	21,558	-	-	-	46,295,660
Additions during year	(6,034)	261,596	-	-	-	-	255,562
Repaid and abated during year	(73,255)	-	-	-	-	-	(73,255)
Transfers	1,058,123	(1,058,123)	-	-	-	-	-
At 31 March 2012	46,456,409	-	21,558	-	-	-	46,477,967
Depreciation							
At 1 April 2011	942,266	-	8,834	46,828	101,277	236,155	1,335,360
Prior Period Adjustment (Note 24)	1,890,471	-	-	(46,828)	-	-	1,843,643
As re-stated	2,832,737	-	8,834	-	101,277	236,155	3,179,003
Provided during year	284,025	-	-	-	19,994	65,578	369,597
Disposals	-	-	-	-	-	-	-
At 31 March 2012	3,116,762	-	8,834	-	121,271	301,733	3,548,600
Net book value							
At 31 March 2012	6,310,920	1,873,523	-	-	971,497	182,006	9,337,946
At 31 March 2011 as restated	5,189,005	42,324	-	-	1,027,058	175,401	6,433,788

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

9. Fixed assets (continued)

Development administration costs capitalised amounted to £50,772 (2011: £48,271). No interest has been capitalised. None of the Association's properties are held under a lease.

Housing Association Grants are repayable under certain circumstances, namely the sale of properties.

10. Debtors	2012	2011
	£	£
Amounts falling due within one year:		
Rents in arrears	76,073	37,559
Less bad debt provision	(48,572)	(31,801)
	<u>27,501</u>	<u>5,758</u>
Trade debtors	90,813	122,754
Prepayments and accrued income	100,261	57,038
	<u>218,575</u>	<u>185,550</u>
11. Creditors due within one year		
Loans	75,000	445,913
Trade creditors	446,510	164,912
Other creditors	7,206	21,627
Accruals and deferred income	1,560,002	830,551
Rents in advance	75,847	43,349
	<u>2,164,565</u>	<u>1,506,352</u>
12. Creditors due after one year		
Loans	<u>2,617,876</u>	<u>2,205,111</u>

Loans are secured by specific charges on the Association's properties. Loans are repayable at rates of interest of 1.395% to 5.25% (2011 – 1.37% to 5.25%) in instalments due as follows:

In one year or less	75,000	445,913
Between two and five years	795,783	295,783
In five years or more	1,822,093	1,909,328
	<u>2,692,876</u>	<u>2,651,024</u>

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012
(Continued)

13. Employees	2012 £	2011 £
Staff costs during year		
Wages and salaries	1,023,805	932,198
Social security costs	87,328	70,416
Other pension costs	<u>147,173</u>	<u>159,878</u>
	<u>1,258,306</u>	<u>1,162,492</u>
The average full time equivalent number of persons employed by the Association during the year were as follows	No	No
Administration and maintenance	<u>32</u>	<u>30</u>

The Directors are defined as the members of the Committee of Management, the Director and any other person reporting directly to the Directors or the Management Committee whose total emoluments including pension contributions exceed £60,000 per year.

	£	£
Emoluments payable to Highest Paid Director (excluding pension contributions)	<u>68,004</u>	<u>66,621</u>

The Association's pension contributions for the Director in the year amounted to £10,303 (2011 - £9,724).

During the current year, there was one director with emoluments, excluding pension contributions, over £60,000 (2011: one).

No member of the Committee of Management received any emoluments in respect of their services to the Association.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

13. Employees (contd)

Pension Scheme - General

Whiteinch & Scotstoun Housing Association Limited participates in the Scottish Housing Associations' Pension Scheme.

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

The Scheme offers five benefit structures to employers, namely:

- 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.

Whiteinch & Scotstoun Housing Association Limited has elected to operate the final salary with a 1/60th accrual rate benefit option for active members and the final salary with a 1/60th accrual rate benefit option for new entrants.

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

As at the balance sheet date there were 24 active members of the Scheme employed by Whiteinch & Scotstoun Housing Association Limited. Whiteinch & Scotstoun Housing Association Limited continues to offer membership of the Scheme to its employees.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012
(Continued)

Employees (contd) Pension Scheme - General

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 (payable from 1 April 2011)	% p.a.
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 calculation the additional contributions).

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012
(Continued)

	2012 £	2011 £
14. Auditors' Remuneration		
The remuneration of the auditors (including expenses and excluding VAT for the year)	9,995	10,325
Remuneration of related parties to the auditors in respect of services other than those of external auditors	7,520	1,595
	<u>17,515</u>	<u>11,920</u>
15. Share Capital		
Shares of £1 fully paid and issued at beginning of year	75	79
Shares issued during year	3	4
Shares cancelled during year	(8)	(8)
Shares issued at end of year	<u>70</u>	<u>75</u>

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

	2012 £	2011 As restated £
16. Notes to the Cash Flow Statement		
(a) Reconciliation of surplus to net cash inflow from operating activities		
Surplus for year	538,311	313,978
Net interest paid	134,162	117,883
Loss on sale of fixed assets	(2,418)	-
Operating surplus for the year excluding interest and tax payable	<u>670,055</u>	<u>431,861</u>
Depreciation	369,597	357,229
Cancellation of share capital	(8)	(8)
(Increase)/Decrease in debtors	(33,025)	34,060
Increase in creditors	1,042,246	115,006
	<u>2,048,865</u>	<u>938,148</u>
(b) Reconciliation of net cash flow to movement in net debt		
Decrease in cash for the year	(1,327,899)	(904,187)
Loans received	(500,000)	-
Loan repayments	458,148	131,400
Change in net cash	(1,369,751)	(772,787)
Net debt as at 1 April 2011	564,853	1,337,640
Net debt as at 31 March 2012	<u>(804,898)</u>	<u>564,853</u>

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012
(Continued)

16. Notes to the Cash Flow Statement (contd)

(c) Analysis of Changes in net debt

	As at 1 April 2011 £	Cash Flow £	As at 31 March 2012 £
Cash at bank and in hand	3,215,877	(1,327,899)	1,887,978
Bank overdrafts	-	-	-
Debt due within one year	(69,905)	(5,095)	(75,000)
Debt due after one year	(2,581,119)	(36,757)	(2,617,876)
	<u>564,853</u>	<u>(1,369,751)</u>	<u>(804,898)</u>
		2012 £	2011 £

17. Capital Commitments

Expenditure authorised by the Committee of Management contracted less certified

800,000

2,500,000

All developments in progress have been approved by Scottish Government for payment of HAG. Whiteinch expects that the Scottish Government will finance most of the expenditure by HAG with the remaining expenditure being financed by loans from lenders.

18. Contingent Liabilities

Whiteinch & Scotstoun Housing Association has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2010. As of this date the estimated employer debt for Whiteinch & Scotstoun Housing Association was £5,585,262. The Association has no current plans to withdraw from the scheme.

Whiteinch & Scotstoun Housing association have been notified by the Pension Trust of the Scottish Housing Association Pension Scheme (SHAPS) that past service deficit contribution payable for the year to 31 March 2013 is £83,153.

Housing Association Grant allocated to components (as detailed in Note 1 (h) (i)) that have subsequently been replaced by the Association are recognised in the Income and Expenditure account, with the cost of the replacement and any additional funding for this replacement being capitalised. The recycled grant recognised in the Income and Expenditure account at 31 March 2012 was £373,826 (2011: £373,826).

19. Housing Stock

	2012 No	2011 No
The number of units in Management at 31 March was as follows		
General Needs Housing	1,283	943
Supported Housing Accommodation	21	30
Shared Ownership Accommodation	1	1
	<u>1,305</u>	<u>974</u>

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

20. Related parties

Various members of the Management Committee are tenants of the Association. The transactions with the Association are all done on standard terms, as applicable to all tenants.

21. Associated companies

The Association, in conjunction with Whiteinch Community Association, formed Whiteinch Centre Limited a company limited by guarantee and registered in Scotland. Each organisation can appoint two directors and one further director can be appointed with the agreement of both organisations. The principal activities of the company is the provision of recreational, educational and training facilities or the organisation of recreational, educational and training facilities with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended. Whiteinch Centre Limited will manage the community centre on behalf of both organisations.

The liability of the Association is limited to one pound.

22. Subsidiary company

On 8 April 2004 the Association incorporated a subsidiary company Scotinch Services Limited. This company is intended to handle the activities that the Association will not be able to undertake as the Association has converted to a charitable status. The company is a company limited by shares and is registered in Scotland. Its issued share capital is £1. The company did not trade during the year and has never traded.

23. Reconciliation of Funds

	2012 £	2011 As restated £
At 1 April 2011 as originally reported	6,222,080	5,809,778
Prior Year Adjustment (Note 24)	(98,328)	-
At 1 April 2011 as restated	<u>6,123,752</u>	<u>5,809,778</u>
Surplus for year	538,311	313,978
New Shares Issued	3	4
Shares Cancelled	(8)	(8)
Net Change in Funds	<u>538,306</u>	<u>313,974</u>
At 31 March 2012	<u><u>6,662,058</u></u>	<u><u>6,123,752</u></u>

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2012

(Continued)

24. Prior Period Adjustment- Component Accounting

Following the implementation of the Statement of Recommended Practice – Accounting by registered social housing providers – Update 2010 (SORP 2010), the Association has implemented component accounting. As a result of the changes brought about by the SORP 2010 and the detailed guidance of the Technical Notes, the Association has adopted a new accounting policy, which has resulted in a prior period adjustment.

The principle of component accounting is to account separately for each major component of a property asset with substantially different useful economic lives, and to depreciate them over their useful economic life. This has resulted in major works expenditure written off in prior years being capitalised, and an additional depreciation charge being recognised. In total this has led to an adjustment as at 31 March 2010 of a reduction of fixed assets of £38,565. This is represented by an increase to fixed asset cost of £1,284,391, major repairs HAG written off £373,826 and a total increase in depreciation of £1,696,782.

The effect of this change on the comparative years' figure of 2011 has been to:

	£
Increase depreciation charge	(146,861)
Decrease major works charged against income	87,098
Increase in the surplus for the year	<u>59,763</u>

In addition the effect upon the balance sheet has been to:

Increase fixed asset cost	1,371,489
Decrease fixed asset HAG	373,826
Increase fixed asset depreciation	<u>(1,843,643)</u>
Net movement in the balance sheet - decrease	<u><u>(98,328)</u></u>