



Williamsburgh
HOUSING ASSOCIATION
• Limited •

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Report and Financial Statements

For the year ended 31 March 2012

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Report and Financial Statements For the year ended 31 March 2012

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Registration information

Financial Services Authority

Industrial and Provident Societies 1965
Registered number 1991RS

The Scottish Housing Regulator

Housing (Scotland) Act 2010
Registered number HAL207

Registered Scottish Charity No: SC035350

Management Committee, Executives and Advisers

Committee of Management

S Weir	Chairperson
M Symons	
D Smith	
C Keane	
J Brown	
S McDonald (Renfrewshire Council)	Resigned 30.05.12
J Sharkey	Appointed 20.06.12
J Leadbetter	Resigned 20.07.11
W Crew	
N McPake	
A Morrison	
D James	
O Carline	Appointed 21.03.12 &resigned 30.05.12
L Mardones	Appointed 14.12.11
S Luke	Appointed 21.03.12

Executives

G Williamson	Director/Secretary
J McBride	Finance Manager
L Ferrie	Housing Manager
O McMillan	Maintenance Manager
J Livingstone	Development Manager
S Gordon	Administration Officer

Registered Office:

Ralston House
Cyril Street
Paisley
PA1 1RW

Auditors

Scott-Moncrieff
25 Bothwell Street
Glasgow
G2 6NL

Bankers

The Royal Bank of Scotland plc
Paisley Chief Office
1 Moncrieff Street
Paisley PA3 2AW

Solicitor

Cochran Dickie Mackenzie
21 Moss Street
Paisley PA1 1BX

**Report of the Management Committee
For the year ended 31 March 2012**

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

Principal activities

The principal activity of the Association is the provision of rented accommodation.

Review of business and future developments

The members of the Management Committee and the Association's Executive Officers are satisfied with the Association's performance during the year. The surplus for the year was £1,436,723 (2011: £1,455,445). Net assets stand at £18,350,782 (2011: £16,914,067).

The Association is recognised by the Inland Revenue as a charity for the purposes of Section 505 Income & Corporation Taxes Act 2010.

The committee of management and executive officers

The committee of management and executive officers of the Association are listed on page 1.

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

Statement of committee's responsibilities

Housing association legislation requires the committee to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the association and of the income and expenditure of the association for the period ended on that date. In preparing those financial statements the committee are required to:-

- * 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 a going concern basis unless it is inappropriate to presume that the association will continue in business.

The Management Committee is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Association. The Committee is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Management Committee confirms that the financial statements comply with the above requirements.

**Report of the Management Committee
For the year ended 31 March 2012**

Corporate Governance

The Association has complied throughout the accounting period with the Code of Best Practice published by the Cadbury Committee on the Financial Aspects of Corporate Governance in 1992.

Charitable Donations

During the year, the Association made charitable donations amounting to £855 (2011: £699).

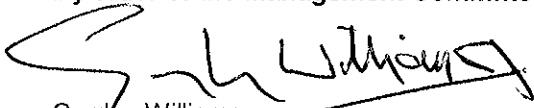
Component accounting

In accordance with the Statement of Recommended Practice (SORP) – Accounting by registered social housing providers, 2010, the Association has implemented component accounting for the first time this year. As this is a change in accounting policy the impact of component accounting has resulted in a restatement of the prior year figures via a prior year adjustment which is detailed at note 27. The introduction of component accounting ensures the major components of the Association's housing stock are identified and depreciated over their estimated economic life. The cost of any subsequent replacement of a major component will be capitalised in the balance sheet with the item replaced being disposed of from the balance sheet. This enables the financial statements to better reflect the use of the component over its life cycle.

Auditors

The auditors, Scott-Moncrieff, Chartered Accountants, at the forthcoming Annual General Meeting offer themselves for re-appointment.

By order of the Management Committee


Gordon Williamson
Secretary

Dated: 20 July 2012

Report of the Independent Auditors to the Members of Williamsburgh Housing Association Limited

We have audited the financial statements of Williamsburgh Housing Association Limited for the year ended 31 March 2012 which comprise the income and expenditure account, balance sheet, cash flow statement and related notes. The financial reporting framework that has been applied is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice - Accounting by Registered Social Housing Providers issued in 2010.

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 directors and auditors

As explained more fully in the Management Committee Responsibilities statement set out on page 2, the committee members 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

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

Opinion on financial statements

In our opinion the financial statements:

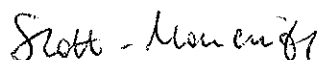
- give a true and fair view of the state of the Association's affairs as at 31 March 2012 and of its surplus for the year ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice – Accounting by Registered Social Housing Providers issued in 2010;
- have been prepared in accordance with the requirements of the Industrial and Provident Societies Acts 1965 to 2002, Part 6 of the Housing (Scotland) Act 2010 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007.

Report of the Auditors to the Members of Williamsburgh Housing Association Limited

Group accounts Section 14 (2) of the Friendly and Provident Societies Act 1968

We agree with the opinion of the Committee of Management of the Association that it would be of no real value to the members of the Association to consolidate or include the accounts of the Association's subsidiary in group accounts required to be prepared under Section 13 of the Friendly and Industrial and Provident Societies Act 1968 for the year ended 31 March 2012, because of the immaterial nature of the subsidiary transactions in the year.

In our opinion the information given in the Report of the Management Committee for the financial year for which the financial statements are prepared is consistent with the financial statements.



Scott-Moncrieff
Chartered Accountants
Statutory Auditor
25 Bothwell Street
Glasgow G2 6NL

Dated: 20 July 2012

**Committee of Management's Statement of Internal Financial Controls
For the year ended 31 March 2012**

The Committee of Management acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for 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 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 misstatement or loss. Key elements include ensuring that:

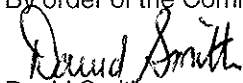
- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets
- Experienced and suitably qualified staff take responsibility for important business functions, and 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 progress towards financial plans set for the year and medium term; regular management accounts are prepared timeously, providing relevant, reliable and up to date financial and other information and significant variances from budget are investigated where appropriate.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures.

The Committee of Management reviews reports from the Director, staff and the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed.

Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Committee of Management has confirmed the existence of the system of internal financial control in the Association for the year ended 31 March 2012 and until 20 July 2012.

By order of the Committee of Management



David Smith

Committee Member

Dated: 20 July 2012

**Report of the Auditors to the Management Committee of
Williamsburgh Housing Association Limited on Corporate Governance Matters**

In addition to our audit of the Financial Statements, we have reviewed your Statement on page 6 concerning the Association's compliance with the paragraphs of the Internal Financial Control section within the SFHA's publication "Raising Standards in Housing". The objective of our review is to draw attention to non-compliance with those paragraphs of the Code, if not otherwise disclosed.

Basis of Opinion

We carried out our review having regard to Bulletin 2009/4 issued by the Auditing Practices Board. The Bulletin does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the Association's system of internal financial control or its corporate governance procedures.

Opinion

In our opinion, your statement on internal financial control on page 6 has provided the disclosures required by the Internal Financial Control section within the SFHA's publication "Raising Standards in Housing" and is not inconsistent with the information which came to our attention as a result of our audit work on the Financial Statements.



Scott-Moncrieff
Chartered Accountants
Statutory Auditor
25 Bothwell Street
Glasgow G2 6NL

Dated: 20 July 2012

Income and Expenditure Account
For the year ended 31 March 2012

	Notes	2012 £	Restated 2011 £
Turnover	2,3 & 4	5,349,808	5,069,584
Less: Operating costs	2,3 & 4	3,469,548	3,345,723
Operating surplus		<u>1,880,260</u>	<u>1,723,861</u>
Net loss on disposal of fixed assets	5	(253,745)	-
Interest receivable and other income	6	17,990	13,718
Interest payable and similar charges	7	(207,781)	(282,134)
Surplus for the year		<u><u>1,436,723</u></u>	<u><u>1,455,445</u></u>

The results for the year relate wholly to continuing activities.

Statement of Total Recognised Gains and Losses
For the year ended 31 March 2012

	Notes	2012 £	Restated 2011 £
Surplus for year		1,436,723	<u>1,455,445</u>
Prior year adjustment	27	<u>415,285</u>	
		<u><u>1,852,008</u></u>	

Balance Sheet
As at 31 March 2012

	Notes	2012 £	Restated 2011 £
Tangible fixed assets			
Housing properties – gross cost	11	110,361,910	113,701,393
Less: grants	11	(86,375,856)	(89,513,577)
		<u>23,986,054</u>	<u>24,187,816</u>
Less: provision for depreciation	11	(3,796,913)	(3,236,378)
		<u>20,189,141</u>	<u>20,951,438</u>
Other fixed assets	12	82,224	76,978
Investments	13	2	2
		<u>20,271,367</u>	<u>21,028,418</u>
Current assets			
Debtors	14	392,868	294,272
Cash at bank and in hand	15	3,594,026	3,193,665
		<u>3,986,894</u>	<u>3,487,937</u>
Creditors: amounts falling due within one year	16	(997,176)	(1,337,012)
Net current assets		<u>2,989,718</u>	<u>2,150,925</u>
Total assets less current liabilities		<u>23,261,085</u>	<u>23,179,343</u>
Creditors: amounts falling due after more than one year	17	(4,910,303)	(6,265,274)
Net assets		<u>18,350,782</u>	<u>16,914,069</u>
Capital and reserves			
Share capital	18	139	149
Designated reserves	19	9,175,322	8,249,317
Revenue Reserve	20	9,175,321	8,664,603
		<u>18,350,782</u>	<u>16,914,069</u>

The financial statements on pages 8 to 28 were authorised for issue by the Committee of Management on 20 July 2012 and were signed on its behalf by:

David Smith
Committee Member

Margaret Symons
Committee Member

James Brown
Committee Member

The notes on pages 12 to 28 form part of these financial statements

David Smith

M. Symons

J. Brown

Cash Flow Statement
For the year ended 31 March 2012

	£	2012 £	£	Restated 2011 £
Net cash flow from Operating Activities		2,186,322		2,169,938
Returns on investments and servicing of finance				
Interest received	17,990		13,718	
Interest paid	(207,781)		(282,134)	
Net cash outflow from returns on investment and servicing of finance		(189,791)		(268,416)
Capital expenditure and financial Investment				
Acquisition and construction of Properties	(198,811)		(267,662)	
Purchase of other fixed assets	(46,908)		(26,421)	
Capital grants received	56,567		1,467,226	
Sale of fixed assets	7,699		-	
Net cash (outflow)/inflow from capital expenditure		(181,453)		1,173,143
Net cash flow before use of liquid resources and financing		1,815,078		3,074,665
Financing				
Net Issue of share capital	(10)		(10)	
Loan principal repayments	(1,414,707)		(2,293,282)	
Net cash flow from financing		(1,414,717)		(2,293,292)
Increase in cash in the period		400,361		781,373

Cash Flow Statement
For the year ended 31 March 2012

(i) Reconciliation of surplus for the year to net cash flow from operating activities

	2012	Restated
	£	2011
		£
Operating surplus	1,880,260	1,723,861
Depreciation	684,759	550,898
(Increase) in debtors	(98,595)	(9,242)
(Decrease) in creditors	(280,102)	(95,579)
	<u>2,186,322</u>	<u>2,169,938</u>
Net cash inflow from operating surplus	<u>2,186,322</u>	<u>2,169,938</u>

(ii) Analysis of changes in net liquid funds

	As at 31 March	Movement in	As at 31 March
	2011	year	2012
	£	£	£
Cash and bank balances	3,193,665	400,361	3,594,026
	<u>3,193,665</u>	<u>400,361</u>	<u>3,594,026</u>

(iii) Analysis of Changes in Net Debt

	At 31 March	Cash	At 31 March
	2011	Flow	2012
	£	£	£
Cash in hand, at bank	3,193,665	400,361	3,594,026
Overdraft	-	-	-
	<u>3,193,665</u>	<u>400,361</u>	<u>3,594,026</u>
Debt due within 1 year	(361,438)	59,736	(301,702)
Debt due after 1 year	(6,265,274)	1,354,971	(4,910,303)
	<u>(3,433,047)</u>	<u>1,815,068</u>	<u>(1,617,979)</u>

(iv) Reconciliation of Net Cash Flow to Movement in Net Debt

	2012	2011
	£	£
Increase for the year	400,361	781,373
Net Loan repaid	1,414,707	2,293,282
	<u>1,815,068</u>	<u>3,074,655</u>
Change in net debt	1,815,068	3,074,655
Net debt at 1 April 2011	<u>(3,433,047)</u>	<u>(6,507,702)</u>
Net debt at 31 March 2012	<u>(1,617,979)</u>	<u>(3,433,047)</u>

**Notes to the Financial Statements
For the year ended 31 March 2012**

1. Principal Accounting Policies

(a) Introduction and going concern

These financial statements are prepared in accordance with applicable accounting standards and statements of recommended practice, and comply with the requirements of the Registered Social Landlords Accounting Requirements (Scotland) Order 2007 and the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2010.

The Association has shown a strong surplus year on year and the committee believe that the Association will carry on this trend for the foreseeable future. In addition to this, the Association has a strong net current assets position. The management committee have therefore adopted the going concern basis in preparing the financial statements.

(b) Basis of Accounting

The principal accounting policies of the Association are set out in paragraphs (c) to (m) below. The effect of events relating to the year ended 31 March 2012, which occurred before the date of approval of the financial statements by the Management Committee have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2012 and of the results for the year ended on that date.

(c) Turnover

Turnover represents rental and service charge income and fees or revenue grants receivable from local authorities and/or The Scottish Government.

(d) Finance

The financial statements have been prepared on the basis that the capital expenditure referred to in notes 11 and 12 will be grant aided, funded by loan or met out of reserves.

(e) Mortgages

Mortgage loans are advanced by The Scottish Government and financial institutions under the terms of 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 Social Housing Grant by the Scottish Government.

(f) Social housing grant (SHG)

Social Housing Grant, at amounts approved by The Scottish Government, is paid directly to the Association as required to meet its liabilities during the development process.

SHG is repayable under certain circumstances primarily following sale of property, but will normally be restricted to net proceeds of sale.

SHG received as a contribution towards the capital cost of housing development is deducted from the cost of those developments. SHG received as a contribution towards revenue expenditure is included in turnover.

Notes to the Financial Statements
For the year ended 31 March 2012

1) Accounting policies (continued)

(g) Fixed assets - Housing properties

Housing land and buildings are stated at cost.

(h) Depreciation

Housing land and buildings

Each housing unit has been split between its major component parts. Each major component is depreciated on a straight line basis over its expected economic useful life. The following major components and useful lives have been identified by the Association:

Land - not depreciated
 Structure – over 50 years
 Windows – over 20 years
 Bathrooms – over 10 years
 Pipework – over 10 years
 Kitchen – over 15 years
 Boilers – over 10 years
 Roofs – over 35 years

Other fixed assets

Depreciation is charged by equal annual instalments at rates estimated to write off costs less any residual value over their expected useful lives.

The following rates have been used:

Fixtures & Fittings	- 15-20% per annum on cost
Vehicle	- 33% per annum on cost
Office premises	- 4-14% per annum on cost

(i) Development Administration Costs

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

(j) Designated reserves

Cyclical maintenance reserve

This reserve has been transferred in full to a single maintenance reserve. The maintenance reserve will now fund any future requirement to transfer funds to the revenue reserve in respect of all maintenance expenditure.

Major Repairs (Maintenance) Reserve

The maintenance reserve replaces all previous maintenance reserves. It represents the Association's recognition of its responsibility to maintain housing properties in a state of repair, which at least maintains their residual value in prices prevailing at the time of acquisition and construction. The reserve has been accumulated from amounts set aside in respect of future costs and will be transferred to the Revenue Reserve as appropriate.

Notes to the financial statements
For the year ended 31 March 2012

1. **Accounting policies** (continued)

(k) Apportionment of management expenses

Direct employee, administration and operating costs have been apportioned to the relevant sections of the income and expenditure account on the basis of costs of staff directly attributable to the operations dealt with in the financial statements.

(l) Pensions (Note 24)

The Association contributes to a defined benefit scheme, the cost of which is written off to the income and expenditure account on an accruals basis. The assets of the scheme are held separately from those of the Association in an independently administered fund.

(m) Financial Commitments

Assets held under finance leases where substantially all the risks and rewards of ownership of the asset have passed to the association, and hire purchase contracts are capitalised in the balance sheet and are depreciated in the income and expenditure account over the period of their useful lives.

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

Notes to the financial statements
For the year ended 31 March 2012

2. Particulars of Turnover, Operating Costs and Operating Surplus/(Deficit)

	2012			Restated 2011		
	Turnover £	Operating Costs £	Operating Surplus/(deficit) £	Turnover £	Operating Costs £	Operating Surplus/(deficit) £
Income and Expenditure From lettings						
Social Lettings	5,142,519	3,258,705	1,883,814	4,922,457	3,038,035	1,884,422
Other activities	207,289	210,843	(3,554)	147,127	307,688	(160,561)
	<u>5,349,808</u>	<u>3,469,548</u>	<u>1,880,260</u>	<u>5,069,584</u>	<u>3,345,723</u>	<u>1,723,861</u>

The Association does not have any Shared Ownership accommodation. There are no other accommodation types other than General Needs and Supported Housing.

Notes to the financial statements
For the year ended 31 March 2012

3. Particulars of turnover, operating costs and operating surplus from social letting activities

	General Needs Housing	Supported Housing	2012 Total	Restated 2011 Total
	£	£	£	£
Income from rent and service charges				
Rent receivable net of service charges	4,990,719	45,953	5,036,672	4,812,303
Service Charges	119,586	2,221	121,807	117,798
Gross income from rents and service charges	<u>5,110,305</u>	<u>48,174</u>	<u>5,158,479</u>	<u>4,930,101</u>
Less voids	20,954	-	20,954	33,050
Net income from rents and service charges	<u>5,089,351</u>	<u>-</u>	<u>5,137,525</u>	<u>4,897,051</u>
Grants from the Scottish Ministers	4,994	-	4,994	25,406
Total turnover from social letting activities	<u>5,094,345</u>	<u>48,174</u>	<u>5,142,519</u>	<u>4,922,457</u>
Expenditure				
Management and maintenance administration costs	1,557,487	14,728	1,572,215	1,316,875
Service charges	121,058	2,103	123,161	118,186
Planned and cyclical maintenance costs	267,054	523	267,577	449,322
Reactive maintenance costs	563,930	3,725	567,655	560,298
Bad Debt Provision Rent & Service Charges	84,204	796	85,000	84,884
Depreciation of social housing	637,073	6,024	643,097	508,470
Operating costs for social letting activities	<u>3,230,806</u>	<u>27,899</u>	<u>3,258,705</u>	<u>3,038,035</u>
Operating Surplus on letting activities, 2012	<u>1,863,539</u>	<u>20,275</u>	<u>1,883,814</u>	<u>-</u>
Operating Surplus on letting activities, 2011	<u>1,864,818</u>	<u>19,603</u>	<u>1,884,422</u>	<u>1,884,422</u>

Notes to the financial statements for the year ended 31 March 2012

4. Particulars of turnover, operating costs and operating surplus/(deficit) from other activities

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total Turnover	Other operating costs	Operating surplus or (deficit)
	£	£	£	£	2012 £	£	2012 £
					2011 £		2011 £
Wider role activities *	-	18,241	-	-	18,241	36,521	(18,280)
Care and repair of property	-	-	-	-	27,518	-	(49,030)
Factoring	-	-	-	-	-	-	-
Development and construction of property activities	-	-	-	-	-	-	-
Support activities	-	-	-	-	-	-	(132,828)
Care activities	-	-	-	-	-	-	-
Agency/management services for RSLs	-	-	-	186,436	186,436	174,322	12,114
Other agency / management services	-	-	-	-	-	-	-
Developments for sale to RSLs	-	-	-	-	-	-	-
Development and improvements for sale to non RSLs	-	-	-	-	-	-	-
Other activities	-	-	-	2,612	2,612	-	2,612
Total from other activities, 2012	-	18,241	-	189,048	207,289	210,843	(3,554)
Total from other activities, 2011	8,728	18,790	-	119,609	147,127	307,688	(160,561)

* Undertaken to support the community, other than the provision, construction, improvement and management of housing

**Notes to the Financial Statements
For the year ended 31 March 2012**

5. Disposal of fixed assets	2012	2011
	£	£
Vehicle	(7,700)	-
Other component disposals	261,445	-
	<u>253,745</u>	<u>-</u>
	<u><u>253,745</u></u>	<u><u>-</u></u>
6. Interest receivable and similar income		
Bank interest receivable	17,990	13,718
	<u>17,990</u>	<u>13,718</u>
7. Interest payable and similar charges		
On bank loans and overdrafts	207,781	282,134
	<u>207,781</u>	<u>282,134</u>
8. Surplus on ordinary activities before taxation		
Surplus on ordinary activities before taxation is stated after charging:		
Depreciation	684,759	516,900
Auditors remuneration – audit fees	9,650	9,180
	<u>684,759</u>	<u>516,900</u>
	<u><u>684,759</u></u>	<u><u>516,900</u></u>

Notes to the Financial Statements
For the year ended 31 March 2012

9. Directors' Emoluments

The directors are defined as the members of the Management Committee, the chief executive and any other person reporting directly to the chief executive or the Management Committee whose total emoluments exceed £60,000 per year. No emoluments were paid to any member of the Management Committee during the year.

	2012	2011
	£	£
Aggregate emoluments payable to directors (including pension contributions and benefits in kind)	79,090	73,264
Total emoluments payable to the highest paid Director (excluding pension contributions) amounted to:	66,374	64,006
Total emoluments payable to the Chairperson (excluding pension contributions) amounted to:	-	-
	Number	Number
The numbers of Directors including the highest paid Director who received emoluments (excluding pension contributions) in the following ranges were:		
£60,001 - £65,000	-	1
£65,001 - £70,000	1	-
	£	£
Total committee expenses reimbursed in so far as not chargeable to United Kingdom Income Tax	2,466	1,065

The Director is an ordinary member of the Association's pension scheme described in Note 25. No enhanced or special terms apply to membership and he has no other pension arrangements to which the Association contributes. The Association's contributions for the Director in the year amounted to £12,716 (2011: £9,258).

10. Employee Information

	2012	2011
	£	£
Salaries	1,038,756	998,396
Social security costs	89,993	82,891
Other pension costs	185,022	133,053
	1,313,771	1,214,880
The average monthly number of employees during the year was:	30	30

Notes to the Financial Statements
For the year ended 31 March 2012

11. Tangible Fixed Assets - Housing properties

	Housing Properties Held for Letting £	Environmental Improvements £	Total £
Cost			
Cost brought forward	110,135,024	3,102,172	113,237,196
Prior year adjustment	464,197	-	464,197
	<hr/>	<hr/>	<hr/>
Restated opening balance	110,599,221	3,102,172	113,701,393
Additions	198,811	-	198,811
Disposals	(3,410,263)	(128,031)	(3,538,294)
	<hr/>	<hr/>	<hr/>
As at 31 March 2012	107,387,769	2,974,141	110,361,910
	<hr/>	<hr/>	<hr/>
Social Housing Grant			
Balance brought forward	85,114,030	-	85,114,030
Prior year adjustment	-	-	-
	<hr/>	<hr/>	<hr/>
Restated opening balance	85,114,030	-	85,114,030
Additions	56,567	-	56,567
Disposals	(3,066,257)	-	(3,066,257)
	<hr/>	<hr/>	<hr/>
As at 31 March 2012	82,104,340	-	82,104,340
	<hr/>	<hr/>	<hr/>
Other Grants			
Balance brought forward	1,309,744	3,089,803	4,399,547
Prior year adjustment	-	-	-
	<hr/>	<hr/>	<hr/>
Restated opening balance	1,309,744	3,089,803	4,399,547
Additions	-	-	-
Disposals	-	(128,031)	(128,031)
	<hr/>	<hr/>	<hr/>
As at 31 March 2012	1,309,744	2,961,772	4,271,516
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
Balance brought forward	3,187,464	-	3,187,464
Prior year adjustment	48,914	-	48,914
	<hr/>	<hr/>	<hr/>
Restated opening balance	3,236,378	-	3,236,378
Charge for the year	643,097	-	643,097
Eliminated on disposals	(82,562)	-	(82,562)
	<hr/>	<hr/>	<hr/>
As at 31 March 2012	3,796,913	-	3,796,913
	<hr/>	<hr/>	<hr/>
Net Book Value			
As at 31 March 2012	20,176,722	12,369	20,189,141
	<hr/>	<hr/>	<hr/>
Restated as at 31 March 2011	20,939,069	12,369	20,951,438
	<hr/>	<hr/>	<hr/>

Notes to the Financial Statements
For the year ended 31 March 2012

12. Tangible Fixed Assets - Other fixed assets

	Office Premises	Office Vehicle	Furniture & Fittings	Total
	£	£	£	£
Cost				
At 31 March 2011	361,779	13,995	179,737	555,511
Additions during year		19,314	27,594	46,908
Disposals		(13,995)	(10,017)	(24,012)
	<u>361,779</u>	<u>19,314</u>	<u>197,313</u>	<u>578,406</u>
At 31 March 2012	361,779	19,314	197,313	578,406
Depreciation				
At 31 March 2011	322,012	12,440	144,081	478,533
Charge for year	8,592	4,774	28,296	41,662
On disposals		(13,995)	(10,017)	(24,012)
	<u>330,604</u>	<u>3,219</u>	<u>162,359</u>	<u>496,183</u>
At 31 March 2012	330,604	3,219	162,359	496,183
Net Book Value				
At 31 March 2012	<u>31,175</u>	<u>16,095</u>	<u>34,954</u>	<u>82,224</u>
At 31 March 2011	<u>39,767</u>	<u>1,555</u>	<u>35,656</u>	<u>76,978</u>

13. Investments

	2012 £	2011 £
Investment in subsidiary undertaking	<u>2</u>	<u>2</u>

During 2005/06 Williamsburgh Housing Association Ltd acquired 2 ordinary £1 shares in Williamsburgh Property Services Ltd. This represents a 100% shareholding in Williamsburgh Property Services Ltd, a company registered in Scotland, whose principal activity is that of provision of factoring property services to owners.

Williamsburgh Property Services Ltd commenced trading on 1 April 2006. As at 31 March 2012 the capital and reserves of Williamsburgh Property Services Ltd were £2 with results for the period of £ nil.

Notes to the Financial Statements
For the year ended 31 March 2012

14. Debtors – amounts receivable within one year	2012	2011
	£	£
Arrears of rent, factoring and service charges	272,335	246,614
Less: Provision for doubtful debts	(114,064)	(94,760)
	<u>158,271</u>	<u>151,854</u>
Grant receivable	14,722	-
Other debtors	110,830	59,042
Inter company balance	40,744	6,401
Prepayments and accrued income	68,301	76,975
	<u>392,868</u>	<u>294,272</u>
	<u><u>392,868</u></u>	<u><u>294,272</u></u>
15. Cash at bank and in hand		
Deposit accounts	3,405,760	3,007,627
Current accounts	188,145	185,865
Cash in hand	120	172
	<u>3,594,026</u>	<u>3,193,665</u>
	<u><u>3,594,026</u></u>	<u><u>3,193,665</u></u>
16. Creditors – Amounts falling due within one year		
Loans repayable within one year	301,702	361,438
Other taxes and social security costs	44,476	32,830
Owed to contractors	150,644	457,317
Rents and service charges in advance	304,772	291,619
Sundry creditors and accruals	195,851	193,810
	<u>997,176</u>	<u>1,337,014</u>
	<u><u>997,176</u></u>	<u><u>1,337,014</u></u>

Notes to the Financial Statements
For the year ended 31 March 2012

17. Creditors – Amounts falling due after one year	2012	2011
	£	£
Housing loans		
Due within one year	301,702	361,438
Due between one and two years	301,702	363,695
Due between three and five years	905,106	862,801
Due after five years	3,703,495	5,038,778
	<u>5,212,005</u>	<u>6,626,712</u>
Less: included in current liabilities above	(301,702)	(361,438)
	<u>4,910,303</u>	<u>6,265,274</u>

Bank loans are outstanding mortgages on housing properties where the rental income is sufficient to secure a loan and are repayable over thirty or thirty five years.

The loans are repayable by monthly or quarterly instalments of principal and have either fixed or variable rates of interest. All loans are secured by standard securities over the title of the properties to which they relate.

18. Share Capital	2012	2011
	£	£
Shares of £1 each fully paid and issued as at 1 April 2011	149	159
Shares issued in year	4	8
	<u>153</u>	<u>167</u>
Shares cancelled in year	(14)	(18)
	<u>139</u>	<u>149</u>

All shares are non-withdrawable and do not carry any right to interest or dividend.

19. Designated Reserves	Maintenance Reserve Fund	Cyclical Repairs Fund	Total
	£	£	£
As at 31 March 2011	7,890,317	359,000	8,249,317
Transfer between designated reserves	359,000	(359,000)	-
Transfer from Income & Expenditure A/c	926,005	-	926,005
	<u>9,175,322</u>	<u>-</u>	<u>9,175,322</u>

**Notes to the Financial Statements
For the year ended 31 March 2012**

20. Accumulated Surplus	2012	Restated 2011
	£	£
As at 1st April 2011	8,664,603	7,598,025
Prior year adjustment	-	415,284
Surplus for year	1,436,723	1,455,445
	<hr/>	<hr/>
	10,101,326	9,468,754
Transfer (to) designated reserves	(926,005)	(804,151)
	<hr/>	<hr/>
As at 31st March 2012	<u>9,175,321</u>	<u>8,664,603</u>
	<hr/>	<hr/>
22. Housing Stock	2012 Number	2011 Number
The number of housing units in management as at 31 March 2012 was:		
New Build	611	611
Unimproved	28	28
Improved	978	978
Mortgage to Rent	3	3
	<hr/>	<hr/>
General Needs Housing	1,620	1,620
	<hr/>	<hr/>
Supported Housing	13	13
	<hr/>	<hr/>
Total Units	<u>1,633</u>	<u>1,633</u>
	<hr/>	<hr/>

**Notes to the Financial Statements
For the year ended 31 March 2012**

23. Revenue Commitments

The association has commitments under operating leases for the next year for leases expiring as follows:

	2012		2011	
	Land & buildings £	Other Leases £	Land & buildings £	Other leases £
Within one year	-	-	-	-
Between two and five years	-	15,876	-	14,100
Over five years	-	-	-	-
	<u>-</u>	<u>15,876</u>	<u>-</u>	<u>14,100</u>

24. Pensions

Williamsburgh Housing 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%.

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.

**Notes to the Financial Statements
For the year ended 31 March 2012**

24. Pensions (continued)

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.

The 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 (date). As of this date the estimated employer debt for the Association was £5,639,217

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:

- 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 joint contribution rates required from employers and members to meet the cost of future benefit accrual for the final salary 60ths benefit structure was assessed as 19.2%.

This is split equally between employers and members. Accordingly the contribution rates for the Final salary 60ths benefit structure from 1 April 2011 is 9.6% employer contributions and 9.6% member contributions. There is an additional employer rate for deficit contributions of 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 at the balance sheet date there were 26 active members of the Scheme employed by Williamsburgh Housing Association. The annual pensionable payroll in respect of these members was £878,329.

**Notes to the Financial Statements
For the year ended 31 March 2012**

24. Pensions (continued)

Williamsburgh Housing Association continues to offer membership of the Scheme to its employees. The key valuation assumptions used to determine the assets and liabilities of the Scottish Housing Associations' Pension Scheme are:

2009 Valuation Assumptions		% p.a.
Investment return pre retirement		7.4
Investment return post retirement - Non-pensioners		4.6
Investment return post retirement – Pensioners		4.8
Rate of salary increases		4.5
Rate of pension increases		
- Pension accrued pre 6 April 2005 in excess of GMP		2.9
- Pension accrued post 6 April 2005 (for leavers before 1 October 1993 pension increases are 5.0%)		2.2
Rate of price inflation		3.0
Mortality Tables		
Non-pensioners	SAPS (S1PA) All Pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement	
Pensioners	SAPS (S1PA) All Pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement	
Contribution Rates for Future Service (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

25. Average Annual Rent

	2012	2011
	£	£
Average annual rent	3,048	2,916
Annual Percentage rent increase	4.5%	2.0%

26. Related Party Transactions

There are eight tenant members and four non tenant members of the Management Committee. Of the four Committee Members who are non-tenants, three stay out with the Association's normal areas of operation but are interested in the work of the Association and one is an owner whose property is factored by the Association's subsidiary, Williamsburgh Property Services Ltd.

All transactions with members of the Management Committee are carried out at arm's length. Williamsburgh Housing Association Ltd provided agency services to Williamsburgh Property Services Ltd during 2011/12. Costs of services provision were recharged to Williamsburgh Property Services Ltd. During the period, costs amounting to £62,784 (2011: £60,388) were recharged to Williamsburgh Property Services Ltd. £2,598 (2011: £3,029) was gift aided from Williamsburgh Property Services Ltd to Williamsburgh Housing Association. As at 31 March 2012, Williamsburgh Housing Association Ltd was owed £40,744 by Williamsburgh Property Services Ltd. In 2011 Williamsburgh Property Services Ltd owed £6,401 to Williamsburgh Housing Association Ltd.

Notes to the Financial Statements
For the year ended 31 March 2012

27. Prior year adjustment

In accordance with the Statement of Recommended Practice (SORP) – Accounting by registered social housing providers, 2010, the Association has implemented component accounting for the first time this year. As this is a change in accounting policy the impact of component accounting has resulted in a restatement of the prior year figures via a prior year adjustment.

The principle of component accounting is to treat major components of an asset as if each component is a separate asset in its own right and depreciate the components over their individual useful economic lives. It follows therefore, that when a component is replaced, the old component is written off, in order to avoid double counting, with the new component capitalised and then amortised over its expected useful life.

The effect of this change in accounting policy on the 2011 financial statements is shown below. The 2011 opening reserves have increased by £415,284 of which £48,913 relates to increased depreciation and £464,198 relates to major repairs previously written off to the Income and Expenditure account now capitalised as components.

Effect on the 2011 financial statements

	£
Increase in depreciation	(33,997)
Reduction in major repairs cost	33,998
	<hr/>
Increase in income and Expenditure reserve	1
	<hr/> <hr/>

The overall effect of the prior year adjustment is therefore £415,285