

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2011

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2011

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YOKER HOUSING ASSOCIATION LIMITED

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MANAGEMENT COMMITTEE, EXECUTIVES & ADVISERS

Management Committee

M. Walker, Chairperson (Re-appointed 18.06.08)

M. Elsby, Vice-Chairperson (Re-appointed 23.09.09)

E. McAughtrie, Secretary (Re-appointed 22.09.10)

P. Elsby (Co-optee) (Appointed 26.10.10)

Cllr G. Hendry (Appointed 18.06.08)

A. McGinley (Re-appointed 22.09.10)

C. Reid (Re-appointed 22.09.10)

D Smith (Re-appointed 23.09.09)

A. Trainer (Re-appointed 18.06.08, Resigned 22.02.11)

C. Walker (Appointed 23.09.09)

I. Wason, (Re-appointed 23.09.09, Resigned 29.03.11)

Executive Officer

C. J. Forrest B.Acc., C.A., Director

Registered Office

10 Kelso Place

Yoker

Glasgow

G14 0LL

Auditors (External)

Alexander Sloan

Chartered Accountants

38 Cadogan St

Glasgow

G2 7HF

Auditors (Internal)

Wylie & Bisset LLP

Chartered Accountants

168 Bath Street

Glasgow

G2 4TP

Bankers

The Bank of Scotland plc

The Mound

Edinburgh

EH1 1YZ

The Royal Bank of Scotland plc

36 St Andrew Square

Edinburgh

EH2 2YB

Solicitors

MacRoberts, Solicitors

Excel House

30 Semple St

Edinburgh

EH3 8BL

Mitchells Robertson, Solicitors

George House

36 North Hanover St

Glasgow

G1 2AD

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REPORT OF THE MANAGEMENT COMMITTEE

The Management Committee presents its Report and Financial Statements for the year ended 31st March 2011.

Legal Status

The Association is registered as a non-profit making organisation under the Industrial and Provident Societies Act 1965 No. 1998(R)S. The Association is constituted under its Rule Book. The Association is a registered Scottish Charity with the charity number SC036604.

Principal Activities

The Association is a registered charity whose principal activities include the provision of low cost affordable housing for rent to those in the greatest housing need and the improvement of housing which does not meet tolerable standards.

Review of Business & Future Developments

The members of the Management Committee are of the opinion that the state of affairs of the Association is satisfactory. The surplus for the year, after taxation, was £290,085 (2010 - £561,016). Following a transfer of £nil (2010 - £278,707), the retained surplus for the year was £290,085 (2010 - £282,309). Net Assets now stand at £5,452,992 (2010 - £5,162,847).

A reduction in the availability of Social Housing Grant means that for the first time in many years, the Association is unlikely to progress either tenement improvement or new build housing development schemes this year. While construction and development of new housing for rent will continue to be pursued by the Association in the medium term, resources will be applied to planned and major repairs and maintenance of existing housing stock in the short term.

Management Committee & Executive Officers

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

Each member of the Management Committee holds one fully paid share of £1 in the Association. The Executive Officers 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 Management Committee.

The members of the Management Committee are also Trustees of the Charity. Members of the Management Committee are appointed by the members at the Association's Annual General Meeting.

Statement of Management Committee's Responsibilities

The Industrial and Provident Societies Acts 1965 to 2002 require the Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those Financial Statements, the Management Committee is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business; and
- prepare a statement on Internal Financial Control.

The Management Committee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Industrial and Provident Societies Acts 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Social Landlord Accounting Requirements (Scotland) Order 2007. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for ensuring the Association's suppliers are paid promptly.

The Management Committee must in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

In so far as the Management Committee are aware:

- There is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Housing Association's auditors are unaware; and
- The Management Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's auditors are aware of that information.

Internal Financial Control

The Management Committee acknowledge their ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the business environment 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;
- the safeguarding of assets against unauthorised use or disposition.

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2011

REPORT OF THE MANAGEMENT COMMITTEE (Continued)

Internal Financial Control (Continued)

It is the Management Committee'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 of the Association's systems include ensuring that:-

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, 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 which allow the management team and the Management Committee to monitor the key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- regular financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- the Management Committee receive reports from management and from the external and internal auditors, to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

Auditors

A resolution to re-appoint the Auditors, Alexander Sloan, will be proposed at the Annual General Meeting.

By order of the Management Committee


E. McAughtrie
Secretary

Date: 24 May 2011

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2011

REPORT BY THE AUDITORS TO THE MANAGEMENT COMMITTEE OF YOKER HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on Pages 2 and 3 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 the requirements relating to corporate governance matters within Bulletin 1999/5 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 2 and 3 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.

Through enquiry of certain members of the Management Committee and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the section on Internal Financial Control within SFHA's "Raising Standards in Housing".



ALEXANDER SLOAN
Chartered Accountants

Glasgow, 24 May 2011

YOKER HOUSING ASSOCIATION LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YOKER HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Yoker Housing Association Limited for the year ended 31 March 2011 on pages 6 to 20. These financial statements have been prepared in accordance with the accounting policies set out therein.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Management Committee and Auditors

As described in the Statement of Management Committee's Responsibilities the Association's Management Committee are responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements 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.

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Social Landlord Accounting Requirements (Scotland) Order 2007. We also report to you if, in our opinion, the Management Committee's Report is consistent with the Financial Statements, if the Association has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Management Committee's remuneration and transactions with the Association is not disclosed.

We read the Management Committee's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Management Committee in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion on the Financial Statements

In our opinion the Financial Statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the Association's affairs as at 31st March 2011 and of its income and expenditure and cash flow for the year then ended; and
- have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Social Landlord Accounting Requirements (Scotland) Order 2007.

In our opinion, the information given in the Management Committee's Report is consistent with the financial statements.

Matters on which we are required to report by exception

We are required to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for audit.

We have nothing to report in respect of these matters.



ALEXANDER SLOAN
Chartered Accountants
Statutory Auditors

Glasgow, 24 May 2011

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2011

INCOME & EXPENDITURE ACCOUNT

	Notes	2011		2010	
		£	£	£	£
TURNOVER	3		1,794,909		1,759,450
Operating Costs	3		(1,483,857)		(1,205,536)
OPERATING SURPLUS	3		311,052		553,914
(Loss) on Sale of Housing Stock	8	(779)		(1,736)	
Interest Receivable		4,359		11,155	
Interest Payable	9	(24,547)		(2,317)	
			(20,967)		7,102
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	10		290,085		561,016
Tax on surplus on ordinary activities	11		-		-
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION			290,085		561,016

All amounts relate to continuing activities. All recognised surpluses and deficits have been included in the Income & Expenditure Account.

YOKER HOUSING ASSOCIATION LIMITED

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BALANCE SHEET

	Notes	2011		2010	
		£	£	£	£
TANGIBLE FIXED ASSETS					
Housing Properties - Depreciated Cost	12a)		46,736,200		46,553,217
Less: Social Housing Grant	12a)		(42,225,723)		(42,199,441)
			<u>4,510,477</u>		<u>4,353,776</u>
Other fixed assets	12b)		1,728,226		1,401,083
			<u>6,238,703</u>		<u>5,754,859</u>
CURRENT ASSETS					
Stocks	1	2,932		2,033	
Debtors	15	107,898		120,727	
Cash at bank and in hand	18	475,866		1,340,617	
			<u>586,696</u>	<u>1,463,377</u>	
CREDITORS: Amounts falling due within one year	16		<u>(372,404)</u>	<u>(855,386)</u>	
NET CURRENT ASSETS			<u>214,292</u>	<u>607,991</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,452,995</u>	<u>6,362,850</u>	
CREDITORS: Amounts falling due after more than one year	17		<u>(1,000,003)</u>	<u>(1,200,003)</u>	
NET ASSETS			<u><u>5,452,992</u></u>	<u><u>5,162,847</u></u>	
CAPITAL AND RESERVES					
Share Capital	19		372		312
Designated Reserves	20a)		2,615,670		2,615,670
Revenue Reserves	20b)		2,836,950		2,546,865
			<u>5,452,992</u>		<u>5,162,847</u>

Signed on behalf of the Management Committee on the 24th of May 2011



M Walker
Chairperson



M Etsby
Vice-Chairperson



E McAughtrie
Secretary

YOKER HOUSING ASSOCIATION LIMITED

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CASH FLOW STATEMENT

	Notes	2011		2010	
		£	£	£	£
Net Cash Inflow from Operating Activities	18		257,366		708,126
Returns on Investment and Servicing of Finance					
Interest Received		4,359		11,155	
Interest Paid		(24,547)		(2,317)	
Net Cash (Outflow) / Inflow from Returns on Investment and Servicing of Finance			(20,188)		8,838
Capital Expenditure and Financial Investment					
Acquisition and Construction of Properties		(571,317)		(2,313,414)	
Purchase of Other Fixed Assets		(399,186)		(1,301,969)	
Social Housing Grant Received		92,776		1,690,532	
Social Housing Grant Repaid		(25,996)		-	
Proceeds on Disposal of Properties		26,310		(1,736)	
Proceeds on Disposal of Other Fixed Assets		4,250		-	
Net Cash (Outflow) from Capital Expenditure and Financial Investment			(873,163)		(1,926,587)
Net Cash (Outflow) before use of Liquid Resources and Financing			(635,985)		(1,209,623)
Financing					
Loan Advances Received		-		1,200,000	
Loan Principal Repayments		(200,000)		-	
Share Capital Issued		74		74	
Net Cash (Outflow) / Inflow from Financing			(199,926)		1,200,074
(Decrease) in Cash	18		(835,911)		(9,549)

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2011

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice – "Accounting by registered social landlords 2008", and on the historical cost basis. They also comply with the Registered Social Landlord Accounting Requirements (Scotland) Order 2007. A summary of the more important accounting policies is set out below.

Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from the Scottish Government.

Retirement Benefits

The Association participates in the S.F.H.A. Defined Benefits Pension Scheme and retirement benefits to employees of the Association are funded by the 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.

Valuation of 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 the properties at an annual rate of 2%.

Depreciation and Impairment of Other Fixed Assets

Other Fixed Assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets, less estimated residual value, at the following annual rates:-

Office Premises	- 2%
Furniture and Equipment	- 25%
Motor Vehicles	- 20%

The carrying value of tangible fixed assets is reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stock of maintenance supplies is stated at the lower of cost and net realisable value.

Social Housing Grant and Other Grants in Advance / Arrears

Where developments have been financed wholly or partly by Social Housing Grant or other capital grant, the cost of those developments has been reduced by the amount of the grant receivable. The amount of the grants receivable is shown separately on the Balance Sheet.

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account in the same period as the expenditure to which it relates.

Although Social Housing Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

Sales of Housing Properties

Surpluses or deficits on the sale of housing properties are accounted for in the Income and Expenditure Account in the year of disposal. The surplus or deficit is shown on the face of the Income and Expenditure Account.

Leased Assets

Costs in respect of operating leases are charged to the Income and Expenditure Account on a straight-line basis over the lease term.

Work to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

Capitalisation of Development Overheads

Directly attributable development administration costs relating to development activities are capitalised in accordance with the Statement of Recommended Practice.

Development Interest

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

Designated Reserves

The Association has designated part of its reserves to meet its long-term obligations.

The Planned Repairs Reserve has been designated to meet future repair and maintenance obligations carried out in accordance with a planned programme of works. This programme is based on the Association's liability to maintain housing properties in a state of repair, which at least maintains their residual values in prices prevailing at the time of acquisition and construction.

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. RETIREMENT BENEFITS

General

Yoker Housing Association Limited participates in the Scottish Housing Association Pension Scheme ("The Scheme").

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

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. Yoker Housing Association Limited has elected to operate the final salary with a 1/60th accrual rate benefit structure for active members as at 31 March 2008 and the final salary with 1/60th accrual rate benefit structure for new entrants from 1 April 2008.

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

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market values. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

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

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

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 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 67.4%).

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2010. 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 £335 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £162 million, equivalent to a past service funding level of 67.4%.

Financial Assumptions

The financial assumptions underlying the valuation as at 30 September 2009 were as follows:

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

Valuation Results

The valuation was carried out using the SAPS (S1PA) All Pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement for non-pensioners and pensioners.

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. RETIREMENT BENEFITS (Continued)

Valuation Results (Continued)

The table below illustrates the assumed life expectancy in years for pension scheme members at age 65 using these mortality assumptions:

Assumed life expectancy at age 65	Males	Females
Non-pensioners	18.1 years	20.6 years
Pensioners	18.1 years	20.6 years

The long-term joint contribution rates required from employers and members to meet the cost of future benefit accrual were assessed as:

Benefit structure	Long-term joint contribution rate (% of pensionable salaries)
Final salary 60ths	19.2 %
Career average 60ths	17.1 %
Career average 70ths	14.9 %
Career average 80ths	13.2 %
Career average 120ths	9.4 %

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

Following consideration of the results of the valuation it was agreed that the shortfall of £160m would be dealt with by the payment of additional contributions of 10.4% of pensionable salaries per annum with effect from 1 April 2011, increasing each 1 April in line with the rate of salary increases assumption.

As a result of Pension Scheme legislation 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 buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating 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.

Yoker Housing Association Limited 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 the Association does not have any plans to withdraw from the Scheme and there is no reliable current estimate of the potential liability, this is not considered to be a Contingent Liability.

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	Notes	2011				2010			
		Turnover	Cost of Sales	Operating Costs	Operating Surplus / (Deficit)	Turnover	Cost of Sales	Operating Costs	Operating Surplus / (Deficit)
		£	£	£	£	£	£	£	£
Social Lettings	4	1,770,348	-	1,446,215	324,133	1,714,905	-	1,149,979	564,926
Other Activities	5	24,561	-	37,642	(13,081)	44,545	-	55,557	(11,012)
Total		<u>1,794,909</u>	<u>-</u>	<u>1,483,857</u>	<u>311,052</u>	<u>1,759,450</u>	<u>-</u>	<u>1,205,536</u>	<u>553,914</u>

4. PARTICULARS OF INCOME & EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing	2011 Total	2010 Total
	£	£	£
Income from Letting			
Rent receivable net of service charges	1,709,213	1,709,213	1,659,847
Service charges	61,804	61,804	71,881
Gross Income From Rents and Service Charges	<u>1,771,017</u>	<u>1,771,017</u>	<u>1,731,728</u>
Less: Rent losses from voids - lettable	(2,633)	(2,633)	(5,981)
- unlettable	(6,102)	(6,102)	(10,842)
Net Income From Rents and Service Charges	<u>1,762,282</u>	<u>1,762,282</u>	<u>1,714,905</u>
Other revenue grants	8,066	8,066	-
Total Turnover From Social Letting Activities	<u>1,770,348</u>	<u>1,770,348</u>	<u>1,714,905</u>
Expenditure on Social Letting Activities			
Management and maintenance administration costs	568,145	568,145	462,133
Service costs	66,840	66,840	68,605
Planned and cyclical maintenance including major repair costs	429,387	429,387	235,778
Reactive maintenance costs	281,929	281,929	295,662
Bad debts - rents and service charges	16,102	16,102	15,461
Depreciation of social housing	83,812	83,812	72,340
Operating Costs For Social Letting Activities	<u>1,446,215</u>	<u>1,446,215</u>	<u>1,149,979</u>
Operating Surplus For Social Lettings	<u>324,133</u>	<u>324,133</u>	<u>564,926</u>

There is no other accommodation except for general needs.

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Grants From Scottish Ministers £	Other Revenue Grants £	Other Income £	Total Turnover £	Operating Cost Of Sales £	Operating Costs Bad Debts £	Operating Costs Other £	Operating Surplus / (Deficit) 2011 £	Operating Surplus / (Deficit) 2010 £
Wider Role Activities	-	-	-	-	-	-	285	(285)	(362)
Factoring	-	-	24,561	24,561	-	11,324	26,033	(12,796)	(15,028)
Agency Services for Registered Social Landlords	-	-	-	-	-	-	-	-	4,378
Total From Other Activities	-	-	24,561	24,561	-	11,324	26,318	(13,081)	(11,012)
2010	8,095	-	36,450	44,545	-	18,470	37,087	(11,012)	

6. OFFICERS' EMOLUMENTS

The Officers are defined in s74 of the Industrial and Provident Societies Act 1965 as the members of the Management Committee, managers or servants of the Association. One officer of the Association received emoluments (excluding pension contributions) greater than £60,000 as follows:

	2011	2010
Emoluments payable to Chief Executive (excluding pension contributions)	76,676	68,343

The Chief Executive is an ordinary member of the Association's pension scheme described in notes 1 and 2. No enhanced or special terms apply to his membership and he has no other pension arrangements to which the Association contributes. The Association's contributions for the Chief Executive in the year amounted to £9,939 (2010 - £9,531).

7. EMPLOYEE INFORMATION

	2011	2010
The average monthly number of full time equivalent persons employed during the year was	No. 10	No. 9
Staff Costs were:	£	£
Wages and Salaries	296,205	275,819
Social Security Costs	23,711	18,172
Other Pension Costs	41,161	39,622
	361,077	333,613

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. (LOSS) ON SALE OF HOUSING STOCK

	2011	2010
	£	£
Sales Proceeds	29,400	-
Abatement of Social Housing Grant - Right To Buy Sales	29,796	-
	<u>59,196</u>	<u>-</u>
Cost of Sales	(59,975)	(1,736)
(Loss) On Sale Of Housing Stock	<u>(779)</u>	<u>(1,736)</u>

9. INTEREST PAYABLE

	2011	2010
	£	£
On Bank Loans & Overdrafts	<u>24,547</u>	<u>2,317</u>

10. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2011	2010
	£	£
Surplus on Ordinary Activities before Taxation is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	151,607	85,855
Auditors' Remuneration - Audit Services	5,250	5,000
	<u>156,857</u>	<u>90,855</u>

11. TAX ON SURPLUS ON ORDINARY ACTIVITIES

	2011	2010
	£	£
(i) Analysis of Charge in Year		
Current Tax: UK Corporation Tax on surplus for the year	-	-
Total Current Tax (Note 11(ii))	<u>-</u>	<u>-</u>
(ii) Factors affecting tax charge for period		
The tax assessed for the period is lower than the standard rate of Corporation Tax in the U.K. (28%). The differences are explained below:		
Surplus on ordinary activities before tax	<u>290,085</u>	<u>561,016</u>
Surplus on ordinary activities x standard rate of Corporation Tax in the U.K. of 28%	81,223	157,084
Effects of: Charitable income not chargeable to tax	<u>(81,223)</u>	<u>(157,084)</u>
Current tax charge for period (Note 11(i))	<u>-</u>	<u>-</u>

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. TANGIBLE FIXED ASSETS

a) Housing Properties

	Held for Letting £	In course of Construction £	Total £
COST			
At 1st April 2010	44,521,722	2,369,506	46,891,228
Additions	13,587	309,908	323,495
Schemes Completed	2,619,751	(2,619,751)	-
Disposals	(56,885)	-	(56,885)
At 31st March 2011	<u>47,098,175</u>	<u>59,663</u>	<u>47,157,838</u>
DEPRECIATION			
At 1st April 2010	338,011	-	338,011
Disposals	(186)	-	(186)
Charge for Year	83,813	-	83,813
At 31st March 2011	<u>421,638</u>	<u>-</u>	<u>421,638</u>
SOCIAL HOUSING GRANT			
At 1st April 2010	40,266,400	1,933,041	42,199,441
Additions	82,074	-	82,074
Schemes Completed	1,875,363	(1,875,363)	-
Disposals	(55,792)	-	(55,792)
At 31st March 2011	<u>42,168,045</u>	<u>57,678</u>	<u>42,225,723</u>
NET BOOK VALUE			
At 31st March 2011	<u>4,508,492</u>	<u>1,985</u>	<u>4,510,477</u>
At 31st March 2010	<u>3,917,311</u>	<u>436,465</u>	<u>4,353,776</u>

Additions to housing properties includes capitalised development administration costs of £nil (2010 - £26,909).

All housing properties are freehold.

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. TANGIBLE FIXED ASSETS (Continued)

b) Other Tangible Assets	Office Premises £	Motor Vehicles £	Furniture & Equipment £	Total £
COST				
At 1st April 2010	1,356,099	54,867	107,472	1,518,438
Additions	296,912	18,494	83,780	399,186
Eliminated on Disposals	-	(19,070)	(37,235)	(56,305)
At 31st March 2011	1,653,011	54,291	154,017	1,861,319
AGGREGATE DEPRECIATION				
At 1st April 2010	-	19,844	97,511	117,355
Eliminated on Disposals	-	(14,820)	(37,235)	(52,055)
Charge for year	33,060	9,408	25,325	67,793
At 31st March 2011	33,060	14,432	85,601	133,093
NET BOOK VALUE				
At 31st March 2011	1,619,951	39,859	68,416	1,728,226
At 31st March 2010	1,356,099	35,023	9,961	1,401,083

No equipment has been acquired under finance lease contracts.

13. CAPITAL COMMITMENTS

	2011 £	2010 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	-	586,000

The above commitments will be financed by a mixture of public grant, private finance and the Associations own resources.

14. COMMITMENTS UNDER OPERATING LEASES

At the year end, the annual commitments under operating leases were as follows:-	2011 £	2010 £
Office Equipment		
Expiring within one year	-	-

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. DEBTORS - Amounts Receivable within One Year

	2011	2010
	£	£
Arrears of Rent & Service Charges	57,113	51,252
Less: Provision for Doubtful Debts	(45,547)	(36,757)
	<u>11,566</u>	<u>14,495</u>
Social Housing Grant Receivable	-	10,702
Other Debtors	84,466	82,056
Prepayments and Accrued Income	11,866	13,474
	<u><u>107,898</u></u>	<u><u>120,727</u></u>

16. CREDITORS: Amounts falling due within one year

	2011	2010
	£	£
Bank Overdrafts	74	28,914
Trade Creditors	102,425	326,126
Rent in Advance	75,139	66,514
Other Taxation and Social Security	10,287	8,938
Other Creditors	94,717	348,781
Accruals and Deferred Income	89,762	76,113
	<u>372,404</u>	<u>855,386</u>

17. CREDITORS: Amounts falling due after more than one year

	2011	2010
	£	£
Housing Loans	<u>1,000,003</u>	<u>1,200,003</u>

Housing Loans are secured by specific charges on the Association's housing properties and are repayable at varying rates of interest in instalments, due as follows:-

Between two and five years	1,000,000	1,200,000
In five years or more	<u>3</u>	<u>3</u>

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. CASH FLOW STATEMENT

<i>Reconciliation of operating Surplus to net cash inflow from operating activities</i>	2011	2010
	£	£
Operating Surplus	311,052	553,914
Depreciation	151,420	85,855
(Increase) / Decrease in Stocks	(899)	291
Decrease in Debtors	2,127	24,362
(Decrease) / Increase in Creditors	(206,320)	43,752
Share Capital Written Off	(14)	(48)
Net Cash Inflow from Operating Activities	<u>257,366</u>	<u>708,126</u>

<i>Reconciliation of net cash flow to movement in net debt</i>	2011
	£
(Decrease) in cash in period	(835,911)
Cash flow from decrease in debt	<u>200,000</u>
Movement in net debt during year	(635,911)
Net debt at 1st April 2010	<u>111,700</u>
Net debt at 31st March 2011	<u>(524,211)</u>

<i>Analysis of changes in net debt</i>	At 01.04.10	Cash Flows	Other Changes	At 31.03.11
	£	£	£	£
Cash at bank and in hand	1,340,617	(864,751)		475,866
Bank Overdrafts	(28,914)	28,840		(74)
Liquid Resources	1,311,703	(835,911)		475,792
Debt: Due within one year	-	-		-
Due after more than one year	(1,200,003)	200,000		(1,000,003)
Net Debt	<u>111,700</u>	<u>(635,911)</u>		<u>(524,211)</u>
<i>Analysed in Balance Sheet</i>				
Cash at bank and in hand	1,340,617			475,866
Bank Overdrafts	(28,914)			(74)
Mortgage Loans				
Due after more than one year	(1,200,003)			(1,000,003)
	<u>111,700</u>			<u>(524,211)</u>

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2010	312
Issued in year	74
Cancelled in year	(14)
	<u> </u>
At 31st March 2011	<u>372</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.

20. RESERVES

(a) Designated Reserves	Planned	Total
	Repairs	
	£	£
At 1st April 2010	2,615,670	2,615,670
Transfer (to) / from Revenue Reserves	-	-
	<u> </u>	<u> </u>
At 31st March 2011	<u>2,615,670</u>	<u>2,615,670</u>

(b) Revenue Reserves	Total
	£
At 1st April 2010	2,546,865
Surplus for the Year	290,085
Transfer to Designated Reserves	-
	<u> </u>
At 31st March 2011	<u>2,836,950</u>

21. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2011	2010
	No.	No.
General Needs - New Build	130	115
- Improved	489	490
- Unimproved	2	2
	<u> </u>	<u> </u>
	<u>621</u>	<u>607</u>

22. RELATED PARTY TRANSACTIONS

Some members of the Management Committee / Board have related party relationships with the Association as defined by Financial Reporting Standard 8.

The related party relationships of the members of the Management Committee / Board are summarised as follows:

- Nine members are tenants of the Association
- One member is a local councillor

Those committee members that are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their positions to their advantage. Any transactions between the Association and any entity with which a Committee Member has a connection is made at arm's length and is under normal commercial terms.