

**YORKHILL HOUSING ASSOCIATION LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2013**

**Registered with the Financial Services Authority - Industrial and Provident Societies 1965 Registered number 02302R**

**Registered Housing Association - Housing (Scotland) Act 2010 Registered number HCB 209**

**Registered Scottish Charity Number SC0 40346**

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS**  
*For the year ended 31 March 2013*

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**YORKHILL HOUSING ASSOCIATION LIMITED**  
**MANAGEMENT COMMITTEE, EXECUTIVES AND PROFESSIONAL ADVISORS**

**MANAGEMENT COMMITTEE**

H Fitzgerald	Chairperson
Dr M Guy	Vice Chair
J Gordon	Secretary
T Dunne	Treasurer
Dr M Green	
H Fulton	
P Bratt	
C Armstrong	
B Docherty	
P Carty	
J McMaster	

**AUDITOR**

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

**SOLICITORS**

Brechin Tindal Oatts  
48 St. Vincent Street  
Glasgow  
G2 5HS

TC Young & Son  
30 George Square  
Glasgow  
G2 1LH

**BANKERS**

Bank of Scotland  
258/262 Dumbarton Road  
Glasgow  
G11 6TU

**EXECUTIVE OFFICERS**

Marion Menabney	Chief Executive
Margaret Gillespie	Finance Manager
Thomas McGuigan	Housing Services Manager
Pauline Hollingsworth	Property Services Manager
Stewart Pattison	Maintenance Manager

**REGISTERED OFFICE**

1271 Argyle Street  
Glasgow  
G3 8TH

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**REPORT OF THE MANAGEMENT COMMITTEE**  
*For the year ended 31 March 2013*

The Management Committee present its report and the audited financial statements for the year ended 31 March 2013.

**PRINCIPAL ACTIVITIES**

The principal activities of the Association include:

- Provision and management of rented accommodation (470)
- Management of properties on behalf of other owners.

**REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The results for the year are set out in the income and expenditure account on page 8. The surplus has been added to reserves brought forward.

**MANAGEMENT COMMITTEE AND EXECUTIVE OFFICERS**

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

Each member of the management committee holds one fully paid share of £1 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 MANAGEMENT COMMITTEE'S RESPONSIBILITIES**

Housing Association legislation requires the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing these financial statements, the Management Committee is 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.



**YORKHILL HOUSING ASSOCIATION LIMITED**  
**REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED..)**  
*For the year ended 31 March 2013*

**STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES (Continued)**

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association. 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.

**RELATED PARTY TRANSACTIONS**

Some members of the Management Committee are tenants or owner occupiers, however, the policies, procedures and agreements in place do not allow them to use their position on the committee to their personal advantage.

**INTERNAL FINANCIAL CONTROL**

The Committee is responsible for the Association's system of internal financial control, and has reviewed its effectiveness from information provided by management staff.

Any system can only provide reasonable and not absolute assurance against material mis-statement or loss.

The financial control system within the Association is fundamentally simple and appropriate to the size and complexity of the organisation. It includes a combination of regular review of financial results compared with an agreed budget and authorisation of all expenditure by senior staff and Committee.

**AUDITOR**

A resolution to re-appoint Scott-Moncrieff, Chartered Accountants as auditor will be put to the members at the Annual General Meeting.

By order of the Management Committee



**J Gordon**  
**Secretary**

**Dated: 07-Aug-13**

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**MANAGEMENT COMMITTEE'S STATEMENT ON INTERNAL FINANCIAL CONTROLS**  
*For the year ended 31 March 2013*

The Management Committee 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:

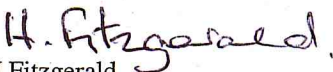
- the reliability of financial information for use within the Association;
- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use or disposition.

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 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 Management Committee 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 Management Committee reviews reports from the Director, staff and the external and internal auditor to provide reasonable assurance that control procedures are in place and are being followed; and
- Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Management Committee has confirmed the existence of the system of internal financial control in the Association for the year ended 31st March 2013.

By order of the Management Committee

  
H Fitzgerald  
Chairperson

Dated: 7 August 2013

**REPORT OF THE AUDITOR TO THE MANAGEMENT COMMITTEE OF  
YORKHILL HOUSING ASSOCIATION LIMITED  
ON CORPORATE GOVERNANCE MATTERS  
For the year ended 31 March 2013**

In addition to our audit of the Financial Statements, we have reviewed your Statement on Page 4 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 4 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: 7 August 2013



## **REPORT OF THE AUDITOR TO THE MEMBERS OF YORKHILL HOUSING ASSOCIATION LIMITED**

*For the year ended 31 March 2013*

We have audited the financial statements of Yorkhill Housing Association Limited for the year ended 31 March 2013 which comprise the income and expenditure account, statement of total recognised gains and losses, 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 Management Committee and Auditor**

As explained more fully in the Management Committee Responsibilities statement set out on pages 2 and 3, 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 the 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 2013 and of its surplus for the year then ended;
- have been properly prepared in accordance with 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 Determination of Accounting Requirements 2012 issued by the Scottish Housing Regulator.

**REPORT OF THE AUDITOR TO THE MEMBERS OF  
YORKHILL HOUSING ASSOCIATION LIMITED (CONTINUED..)**

*For the year ended 31 March 2013*

**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 require 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; or
- we have not received all the information and explanations we need for our audit.

*Scott Moncrieff*

**SCOTT-MONCRIEFF**

Chartered Accountants

Statutory Auditor

25 Bothwell Street

Glasgow

G2 6NL

Date: 7 August 2013

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT**  
*For the year ended 31 March 2013*

		2013	2012
	Notes	£	£
<b>TURNOVER</b>	2,3,4	<b>1,605,532</b>	1,736,960
<b>OPERATING COSTS</b>	2,3,4	<b>(1,325,366)</b>	(1,551,323)
<b>OPERATING SURPLUS</b>	2	280,166	185,637
Gain on sale of housing accommodation		22,320	22,549
Interest receivable and other similar income	8	31,875	8,118
Interest payable and other similar charges	7	(89,920)	(97,329)
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TRANSFERS</b>		244,441	118,975
Transfer (to) Designated reserves	15	(139,080)	(120,300)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		105,361	(1,325)

The results for the year relate wholly to continuing activities.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
*For the year ended 31 March 2013*

	2013	2012
	£	£
Retained surplus/(deficit) for the year	<u>105,361</u>	<u>(1,325)</u>
Prior year adjustment	<u>-</u>	<u>154,840</u>
	<u><b>105,361</b></u>	<u><b>153,515</b></u>

*The notes on pages 11 to 26 form part of these financial statements.*

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**BALANCE SHEET**  
*As at 31 March 2013*

	Notes	2013 £	2012 £
<b>TANGIBLE FIXED ASSETS</b>			
Housing properties - cost less depreciation	10	15,515,928	15,949,366
Less: Social Housing Grant and other grants	10	(13,722,082)	(14,186,385)
Other Fixed Assets	10	1,793,846 487,561	1,762,981 517,747
		2,281,407	2,280,728
<b>CURRENT ASSETS</b>			
Debtors	11	210,826	247,832
Cash at bank and in hand		1,928,662	1,680,849
		2,139,488	1,928,681
<b>CREDITORS</b>			
Amounts falling due within one year	12	(389,908)	(368,617)
<b>NET CURRENT ASSETS</b>		1,749,580	1,560,064
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,030,987	3,840,792
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	(1,716,087)	(1,770,327)
<b>NET ASSETS</b>		2,314,900	2,070,465
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	149	155
Designated reserves	15	1,624,463	1,485,383
Revenue reserves	16	690,288	584,927
<b>CAPITAL EMPLOYED</b>		2,314,900	2,070,465

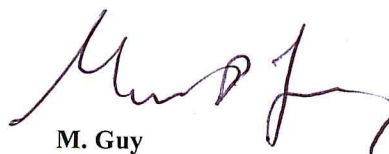
The Financial Statements were authorised for issue by the Management Committee on 7 August 2013 and signed on its behalf by:-



**H. Fitzgerald**  
Chairperson



**J Gordon**  
Company Secretary



**M. Guy**  
Vice Chair

*The notes on pages 11 to 26 form part of these financial statements.*



**YROKHILL HOUSING ASSOCIATION LIMITED****CASH FLOW STATEMENT***For the year ended 31 March 2013*

		2012 £	2012 £
	<i>Notes</i>		
Net cash flow from operating activities	17	496,905	393,879
Returns on Investments and Servicing of Finance	18	(58,045)	(89,211)
Capital Expenditure	18	(136,801)	78,922
		<u>302,059</u>	<u>383,590</u>
Financing	18	(54,246)	(179,639)
Increase In Cash		<u>247,813</u>	<u>203,951</u>

*The notes on pages 23 and 24 form part of the cash flow statement.*

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the year ended 31 March 2013*

**1. Accounting Policies**

(a) Introduction and accounting basis

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

These financial statements are prepared in accordance with applicable accounting standards and statements of recommended practice, and comply with the requirements of the Determination of Accounting Requirements 2012 issued by the Scottish Housing Regulator and the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2010.

(b) Going Concern

The Committee of Management anticipate that a surplus will be generated in the year to 31 March 2014. The Association has a healthy cash balance and net current asset position and thus the Committee of Management is satisfied that there are sufficient resources in place to continue operations in the foreseeable future. Thus the Committee of Management continue to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Turnover

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

(d) Loans

Mortgage loans are advanced by Private Lenders or The Scottish Government 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 by The Scottish Government. Mortgage loans in the balance sheet include amounts due but not received.

(e) 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.

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the year ended 31 March 2013*

**1. Accounting Policies (continued..)**

**(f) Fixed assets - Housing properties**

Housing properties are stated at cost, less social housing grants (SHG) and other public grants and less accumulated depreciation. The development cost of housing properties includes:-

1. Cost of acquiring land and buildings
2. Development expenditure including administration costs
3. Interest charged on the mortgage loans raised to finance the scheme

These costs are either termed "qualifying costs" by The Scottish Government for approved social housing grant schemes and are considered for mortgage loans by the relevant lending authorities or 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 accounts for the year, provided that the dates of issue or valuation are prior to the year-end.

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

Interest is capitalised from first draw down of private finance according to the funding arrangements agreed by The Scottish Government. This will normally occur after SHG has been claimed up to the agreed limit.

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.

**Depreciation**

**(g)**

**1. Housing properties**

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
Kitchens	- over 15 years
Bathrooms	- over 15 years
Structure	- over 50 years
Boilers	- over 12 years
Gutters	- over 20 years
Windows	- over 20 years
Tiles	- over 40 years
Lifts	- over 15 years
Flashings	- over 30 years

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the year ended 31 March 2013*

**1. Accounting Policies (continued..)**

**(g) Depreciation (continued)**

**2. Other fixed assets**

Depreciation is charged on other fixed assets so as to write off the asset cost less any recoverable value over its anticipated useful life.

The following rates have been used:-

Furniture, Fittings & Equipment - 20% straight line  
Office Property - over 15 years

A full year's depreciation is charged in the year of purchase.  
No charge is made in the year of disposal.

Designated Reserves (Note 15)

**(h) (i) Cyclical maintenance**

The reserve is based on the Association's liability to maintain the properties in accordance with a planned programme of works, provided it will not be met from revenue in the year in which it is incurred.

**(ii) Major Repairs**

The reserve is based on the Association's requirement 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 represents amounts set aside in respect of future costs and will be transferred to General Reserves as appropriate.

**(iii) SST Property Reserve**

The reserve comprises the dowry provided by Glasgow Housing Association as part of the second stage transfer. This dowry is a contribution towards the cost of the future major repairs and improvements expenditure which will be incurred by Yorkhill Housing Association Limited to bring the stock transferred up to the requirements of the Scottish Housing Quality Standard. The major repairs and improvements expenditure is capitalised and thus the SST Properties Reserve is released to the Revenue Reserve in line with the depreciation rate in respect of these capital repairs and improvements.



**YORKHILL HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the year ended 31 March 2013*

**1. Accounting Policies (continued..)**

(i) 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.

Pensions (Note 24)

- (j) 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.

Financial Commitments

- (k) 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.

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the year ended 31 March 2013*

**2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS**

	2013			2012		
	Turnover £	Operating Costs £	Operating Surplus £	Turnover £	Operating Costs £	Operating Surplus £
<b>INCOME AND EXPENDITURE FROM LETTINGS</b>						
<b>SOCIAL LETTINGS</b> Note 3	1,525,265	1,254,000	271,265	1,665,183	1,478,416	186,767
<b>OTHER ACTIVITIES</b> Note 4	80,267	71,366	8,901	71,777	72,907	(1,130)
<b>TOTAL</b>	1,605,532	1,325,366	280,166	1,736,960	1,551,323	185,637

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the year ended 31 March 2013*

**3. PARTICULARS OF INCOME AND EXPENDITURE FROM LETTINGS**

	General Needs Housing £	Supported Housing £	Shared Ownership £	Other £	2013 Total £	2012 Total £
<b>INCOME FROM RENT AND SERVICE CHARGES</b>						
Rent receivable net of service charges	1,304,668	134,141	-	-	1,438,809	1,371,992
Service charges	21,463	68,599	-	-	90,062	91,961
<b>GROSS INCOME FROM RENTS AND SERVICE CHARGES</b>	<b>1,326,131</b>	<b>202,740</b>	<b>-</b>	<b>-</b>	<b>1,528,871</b>	<b>1,463,953</b>
Less: Voids	(3,127)	(1,334)	-	-	(4,461)	(2,588)
<b>NET INCOME FROM RENTS AND SERVICE CHARGES</b>	<b>1,323,004</b>	<b>201,406</b>	<b>-</b>	<b>-</b>	<b>1,524,410</b>	<b>1,461,365</b>
Grants from the Scottish Ministers	855	-	-	-	855	327
Other income	-	-	-	-	-	203,491
<b>TOTAL TURNOVER FROM SOCIAL LETTING ACTIVITIES</b>	<b>1,323,859</b>	<b>201,406</b>	<b>-</b>	<b>-</b>	<b>1,525,265</b>	<b>1,665,183</b>
<b>EXPENDITURE</b>						
Management and Maintenance administration costs	691,985	37,609	-	-	729,594	707,473
Service Charges	20,209	61,531	-	-	81,740	96,410
Planned cyclical maintenance including major repairs	129,892	7,617	-	-	137,509	342,548
Reactive maintenance costs	160,335	10,052	-	-	170,387	203,123
Bad debts - rents and service charges	7,798	-	-	-	7,798	12,963
Depreciation of social housing	114,698	12,274	-	-	126,972	115,899
<b>OPERATING COSTS FOR SOCIAL LETTING ACTIVITIES</b>	<b>1,124,917</b>	<b>129,083</b>	<b>-</b>	<b>-</b>	<b>1,254,000</b>	<b>1,478,416</b>
<b>OPERATING SURPLUS</b>						
<b>ON LETTING ACTIVITIES, 2013</b>	<b>198,942</b>	<b>72,323</b>	<b>-</b>	<b>-</b>	<b>271,265</b>	<b>186,767</b>
<b>ON LETTING ACTIVITIES, 2012</b>	<b>131,744</b>	<b>55,023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>186,766</b>



**YORKHILL HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the year ended 31 March 2013*

**4. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS FROM OTHER ACTIVITIES**

	Grants from Scottish Ministers £	Other Revenue Grants £	Supporting People Income £	Other Income £	Total 2013 Total £	Turnover 2012 Total £	Operating Costs - Bad Debts £	Other Operating Costs £	2013 Total £	2012 Total £
Wider role activities										
Care and repair of property										
Factoring				51,091	51,091	41,973		70,168	(19,077)	(29,092)
Development and construction of property activities										
Support activities			28,136		28,136	27,724			28,136	27,724
Care activities								676	(676)	(676)
Agency/management services for RSL's										
Other Agency/management services										
Development for sale to RSL's										
Development and improvements for sale to non RSL's										
Commercial Properties										
Disabled Adaptations										
Other Income				1,040	1,040	2,080		522	518	914
<b>TOTAL FROM OTHER ACTIVITIES, 2012</b>	-	-	28,136	52,131	80,267	71,777	-	71,366	8,901	-
<b>TOTAL FROM OTHER ACTIVITIES, 2012</b>	-	-	27,724	44,053	71,777	-	-	72,907		(1,130)

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the year ended 31 March 2013*

**5. 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. One Director's total emoluments exceed £60,000 per year. No emoluments were paid to any member of the Management Committee during the year.

	2013 £	2012 £
Aggregate emoluments payable to directors (including pension contributions and benefits in kind)	63,374	59,882
Emoluments payable to highest paid director (excluding pension contributions)	58,114	54,781
Total expenses reimbursed insofar as not chargeable to UK income tax	59	1,442

**6. EMPLOYEE INFORMATION**

The average number of full time equivalent employees during the year was

Staff costs were:-

Wages and Salaries

Social Security Costs

Pension Contributions

	Number	Number
The average number of full time equivalent employees during the year was	15	15
Staff costs were:-	£	£
Wages and Salaries	453,428	439,301
Social Security Costs	38,242	36,857
Pension Contributions	54,440	52,711
	<b>546,111</b>	<b>528,869</b>

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the year ended 31 March 2013*

	2013 £	2012 £
<b>7. INTEREST PAYABLE</b>		
On loans from Scottish Homes	-	4,903
On private loans	89,920	92,426
	<u>89,920</u>	<u>97,329</u>
	2013 £	2012 £
<b>8. INTEREST RECEIVABLE AND OTHER INCOME</b>		
Interest receivable on deposits	31,875	8,118
	<u>31,875</u>	<u>8,118</u>
	2013 £	2012 £
<b>9. SURPLUS ON ORDINARY ACTIVITIES BEFORE TRANSFERS</b>		
Surplus on ordinary activities before taxation is stated after charging:-		
Depreciation	158,442	148,720
Auditor's remuneration		
- in their capacity as auditor	16,081	12,340
- other services	2,625	-
Surplus /(deficit) on disposal of fixed assets	22,320	(22,549)

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<b>10. TANGIBLE FIXED ASSETS</b>		<b>Housing Properties Held For General Letting</b>	<b>Housing Properties Held for Supported Letting</b>	<b>Office Properties</b>	<b>Furniture Fittings &amp; Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST:</b>						
At 1 April 2012	14,918,969	1,471,262		546,006	98,740	17,034,977
Additions during year	208,544	74,600			1,284	284,428
Disposals during year	(604,544)	(2,760)				(607,304)
<b>As at 31 March 2013</b>	<b>14,522,969</b>	<b>1,543,102</b>		<b>546,006</b>	<b>100,024</b>	<b>16,712,101</b>
<b>HAG and other grants</b>						
At 1 April 2012	12,842,750	1,343,635		-		14,186,385
Additions during year	8,547					8,547
Disposals during year	(470,090)	(2,760)				(472,850)
<b>As at 31 March 2013</b>	<b>12,381,207</b>	<b>1,340,875</b>		<b>-</b>		<b>13,722,082</b>
<b>DEPRECIATION:</b>						
At 1 April 2012	415,305	25,560		76,209	50,790	567,864
Provided during the year	114,698	12,274		9,501	21,969	158,442
Disposals during the year	(17,694)					(17,694)
<b>As at 31 March 2013</b>	<b>512,309</b>	<b>37,834</b>		<b>85,710</b>	<b>72,759</b>	<b>708,612</b>
<b>NET BOOK VALUE:</b>						
<b>As at 31 March 2013</b>	<b>1,629,453</b>	<b>164,393</b>		<b>460,296</b>	<b>27,265</b>	<b>2,281,407</b>
As at 31 March 2012	1,660,914	102,067		469,797	47,950	2,280,728

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<b>11. DEBTORS:</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year:		
Arrears of Rent and Service Charges	99,754	104,313
Less: Provision for doubtful debts	(41,484)	(52,274)
	<b>58,270</b>	<b>52,039</b>
Prepayments and accrued income	104,098	65,683
Other debtors	47,791	130,110
VAT recoverable	667	-
	<b>210,826</b>	<b>247,832</b>

<b>12. CREDITORS: Amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Housing Loans	51,390	48,539
Trade Creditors	125,317	109,372
Other taxation and social security	11,003	10,450
Other Creditors	111,404	83,928
Accruals and deferred income	36,053	59,166
Rent paid in advance	54,741	55,004
VAT payable	-	2,158
	<b>389,908</b>	<b>368,617</b>

<b>13. CREDITORS: Amounts falling due after more than one year</b>	<b>£</b>	<b>£</b>
Housing Loans	1,716,087	1,770,327

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

	<b>£</b>	<b>£</b>
Between one and two years	51,390	48,539
Between two and five years	154,170	145,616
After five years	1,510,527	1,576,172
	<b>1,716,087</b>	<b>1,770,327</b>

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	2013 £	2012 £
<b>14. SHARE CAPITAL:</b>		
At 1 April 2012	155	154
Shares of £1 each fully paid and issued in the year	3	1
Shares forfeited in the year	(9)	-
<b>At 31 March 2013</b>	<b>149</b>	<b>155</b>

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.

	Cyclical Maintenance Reserve £	SST Property Reserve £	Major Repairs Reserves £	Total £
<b>15. DESIGNATED RESERVES</b>				
At 1 April 2012	108,092	377,013	1,000,278	1,485,383
Gross transfers for the year	-	-	139,080	139,080
<b>As at 31 March 2013</b>	<b>108,092</b>	<b>377,013</b>	<b>1,139,358</b>	<b>1,624,463</b>

	2013 £	2012 £
<b>16. REVENUE RESERVES</b>		
At 1 April 2012	584,927	586,252
Surplus/(Deficit) for the year	105,361	(1,325)
<b>As at 31 March 2013</b>	<b>690,288</b>	<b>584,927</b>



**YORKHILL HOUSING ASSOCIATION LIMITED**  
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<b>17. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Operating Surplus for the Year	280,166	185,637
Depreciation	158,442	148,720
Movement in debtors	37,006	(17,566)
Movement in creditors	21,291	77,088
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>496,905</b>	<b>393,879</b>

<b>18. GROSS CASH FLOWS</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	31,875	8,118
Interest Paid	(89,920)	(97,329)
	<b>(58,045)</b>	<b>(89,211)</b>
<b>Capital expenditure</b>		
Purchase and development of housing properties	(283,144)	(52,288)
HAG and other grants received	8,547	3,392
Payments to acquire other tangible fixed assets	(1,284)	(11,356)
Proceeds of fixed asset sale	139,080	139,174
	<b>(136,801)</b>	<b>78,922</b>
<b>Financing</b>		
Issue of ordinary share capital	3	1
Shares forfeited	(9)	-
Loans repaid	(54,240)	(179,640)
	<b>(54,246)</b>	<b>(179,639)</b>

**19 ANALYSIS OF CHANGES IN NET CASH**

	<b>At 1st April 2012</b>	<b>Cash Flow</b>	<b>Other Changes</b>	<b>At 31st March 2013</b>
Cash in hand, at bank	1,680,849	247,813	-	1,928,662
Debt due within year	(48,539)	-	(2,851)	(51,390)
Debt due after 1 year	(1,770,327)	-	54,240	(1,716,087)
	<b>(138,017)</b>	<b>247,813</b>	<b>51,389</b>	<b>161,185</b>



**YORKHILL HOUSING ASSOCIATION LIMITED**  
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**20 RECONCILIATION OF NET CASH FLOW TO  
MOVEMENT IN NET DEBT**

	2013	2012
	£	£
Increase for the year	247,813	203,951
Cash used to repay loans	51,389	179,640
Change in net cash	299,202	383,591
Net Cash at 1 April 2012	(138,017)	(521,608)
Net cash at 31.March 2013	161,185	(138,017)

**21. HOUSING STOCK**

	Number	Number
The number of units of accommodation in management at the year end was:-		
General Needs Housing	431	437
Supported Housing	39	39
	470	476

**22 LEGISLATIVE PROVISIONS**

The Association is incorporated under the Industrial and Provident Societies Act 1965.

**23 CAPITAL COMMITMENTS**

	2013	2012
	£	£
Contracted for but not provided for in these accounts	25,611	-
This is to be funded by:		
HAG	-	-
Private finance	25,611	-
	25,611	-

## **24. PENSION OBLIGATIONS**

### Defined Benefit scheme

Yorkhill Housing Association Limited participates in the Scottish Housing Associations' Pension Scheme ('the Scheme'). The Scheme is a multi-employer defined benefit 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.

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 employers' 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-cut market. The amounts of debt can therefore be volatile over time.

Yorkhill 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 2012. As of this date the estimated employer debt for Yorkhill Housing Association Limited was £1,986,885.

The Scheme offers live 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.

**24. PENSION OBLIGATIONS (continued)**

Yorkhill Housing Association Limited has elected to operate the final salary with a 1/60th accrual rate benefit structure for active members as at 1 April 2012.

During the accounting period Yorkhill Housing Association Limited paid contributions to the final salary scheme at the rate of 9.6% of pensionable salaries. Member contributions were 9.6%. In addition Yorkhill Housing Association Limited 10.6% of pensionable salary roll as at September 2009 as contributions to past service deficits.

As at the balance sheet date, there were 13 active members (2012: 13) of the Scheme employed by Yorkhill Housing Association Limited.

Yorkhill Housing Association Limited 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 5 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 2012) %

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