

Bro Myrddin Housing Association Limited

annual accounts 2010/11

Bro Myrddin Housing Association

Accounts
for the year ended
31 March 2011

Annual accounts 2010/11

Accounts for the year ended 31 March 2011

Contents

Members, senior staff, advisers and bankers	3
Report of the Board	4
Auditors' report	9
Income & expenditure account	10
Balance sheet	11
Cash flow statement	12
Notes to the financial statements	13

Report of the Board

The Board present their report and audited financial statements for the year ended 31 March 2011.

Principal activities

The Association's principal activities are the development and management of social housing.

Review of the year

- Bro Myrddin passed the Welsh Assembly Government's first annual Financial Viability Judgement, which confirms that we have adequate resources to meet current and future business and financial commitments.
- In housing development, conversion of the Association's former offices in Lammas Street, Carmarthen, into two houses and three flats was completed. At Pontyates, six miles from Llanelli, two large family homes were developed in partnership with Sauro Construction.
- In conjunction with our Gorwel consortium partners, we have continued to focus on the procurement of building and maintenance contracts so as to deliver maximum value for money.
- Bro Myrddin has widened and improved its communication with residents, adding text messaging to the methods available. We have also worked closely with the Residents' Forum (who elected a new chair during the year), and encouraged its efforts to involve more residents.
- Relations with Carmarthenshire County Council and other social housing providers in the region have been strengthened through collective discussion on issues such as the allocation of housing. Work has also begun on agreeing a landlord-local authority relationship structure that will meet residents' needs and contribute to sustainable communities.

Performance for the year

The Association achieved a surplus for the year of £129,640, and this is consistent with the growth of the Association.

Looking ahead

- We will continue to provide homes for the vulnerable in our community, such as the elderly, the unemployed and those in low paid employment. We will work with partners to help combat financial exclusion among our residents, making referrals to specialist agencies where appropriate and providing advice on sources of support.
- Within the boundaries of the service we provide, we will continue to look at ways of minimising costs and maximising business efficiency.
- We will build on the progress already made in involving residents, such as in the review of our service standards, and pay close heed to the views they express through independent satisfaction surveys.
- In partnership with the local authority, we will build new homes in locations where there is greatest need. We will be innovative in planning developments, securing social housing grant where it is available and forging partnerships where mutual benefits can be identified.
- Wherever possible, we will help our residents to carry on living independently by adapting their homes to make them more comfortable and easier to run. We will also bring all our properties up to Welsh Housing Quality Standards over the next five years.
- We will remain committed to the continuous development of staff and ensure they have the necessary skills and motivation to deliver the excellent services our residents have come to expect.

Housing properties and other fixed assets

Details of changes to housing properties and other fixed assets are shown in Note 11 and 12.

Members of the Board and senior officers

The present members of the Board and senior officers of the Association are set out on page 3.

Officers' insurance

The Association purchased during the year insurance against the liabilities of all the Board and senior staff in relation to the Association.

Statement of Board members' responsibilities

We are required under housing association legislation 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 we are required to:

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

We are also responsible for:

- keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Association and to enable us to ensure that the financial statements comply with the requirements of United Kingdom Generally Accepted Accounting Practice, the Industrial and Provident Societies Acts, 1965 to 2002, the Housing and Regeneration Act 2008 and The Accounting Requirements for Registered Social Landlords General Determination (Wales) 2009.
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

Auditors

The auditors Bevan & Buckland are willing to continue in office, and a resolution to reappoint them will be proposed at the annual general meeting.

The report of the Board was approved on 20 June 2011 and signed on its behalf by



G Davies
Chair

Board statement on internal financial controls

Arising from the report of the Cadbury Board on the 'Financial Aspects of Corporate Governance' a working party published 'Internal Control and Financial Reporting'. The Association wish to comply with this publication.

The Association also wish to comply with Welsh Assembly Government Circular RSL 02/10 'Internal Controls and Reporting'.

The Board acknowledge their ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

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

It is the Board'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 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. Annual appraisal procedures have been established to maintain standards of performance
- forecasts and budgets are prepared which allow the Board and management to monitor the key business risks and financial objectives and progress towards financial plans set for the year and in the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board
- the Board reviews reports from management, from the internal auditors and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports
- monitoring of the control system by internal and external auditors

The Board has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2011 and until 20 June 2011. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the auditors' report on the financial statements.

Board structure

The Board comprises non-executive members and is responsible for the control of the Association including the overall strategic policies and monitoring compliances. The Board members are drawn from a wide background bringing together professional, commercial and local experience. The day to day operations are delegated to the Chief Executive and senior staff.

Report of the independent auditors to the Board of Bro Myrddin Housing Association Limited on corporate governance matters

In addition to our audit of the financial statements for the year ended 31 March 2011, we have reviewed the Board's statement on the Association's compliance with the Welsh Assembly Government Circular RSL 02/10, 'Internal Financial Controls and Reporting' ("the Circular").

The objective of our review is to enable us to conclude on whether the Board has provided the disclosures by the Circular and whether the statement is consistent with the information of which we are aware from our audit work on the financial statements.

We carried out our review in accordance with Bulletin 1995/1, "Disclosures Relating to Corporate Governance", issued by the Auditing Practices Board. That Bulletin does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of the Board's system of internal financial control.

Opinion

With respect to the Board's statement on internal financial control on page 6, in our opinion the Board has provided the disclosures required by the Circular and the statement is consistent with the information of which we are aware from our audit work in the financial statements.



Bevan & Buckland
Chartered Accountants
and Statutory Auditors

Date: 20 June 2011

Langdon House
Langdon Road
SA1 Swansea Waterfront
Swansea
SA1 8QY

Report of the independent auditors to the members of Bro Myrddin Housing Association Limited

We have audited the financial statements of Bro Myrddin Housing Association Limited for the year ended 31st March 2011 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members, as a body, in accordance with the Industrial and Provident Societies Acts, 1965 to 2002. 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 Board and auditors

As explained more fully in the Board's Responsibilities Statement, the Board is responsible for the preparation of financial statements which 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 Board, and the overall presentation of the financial statements.

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 31st March 2011 and of its income and expenditure for the year then ended, and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and with the Industrial and Provident Societies Acts, 1965 to 2002, the Housing and Regeneration Act 2008 and The Accounting Requirements for Registered Social Landlords General Determination (Wales) 2009.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts, 1965 to 2002 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.



Bevan & Buckland
Chartered Accountants
and Statutory Auditors

Date: 20 June 2011

Langdon House
Langdon Road
SA1 Swansea Waterfront
Swansea
SA1 8QY

Income and Expenditure account for year ended 31 March 2011

	Note	2011	2010
		£	£
Turnover	2	2,793,720	2,779,983
Less: Operating costs	2	<u>-2,429,654</u>	<u>-2,262,109</u>
Operating surplus		364,066	517,874
Surplus/(Deficit) on disposal of assets		43,950	-35,984
Interest receivable and similar income	7	176	251
Interest payable and similar charges	8	-278,552	-348,191
Surplus for the year		<u>129,640</u>	<u>133,950</u>

None of the Association's activities were acquired or discontinued during the above two financial years.

There were no recognised gains or losses during the above financial years other than the surpluses for the year.

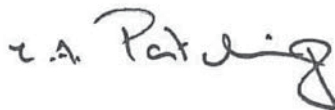
Balance sheet as at 31 March 2011

	Note	2011 £	2010 £
Tangible fixed assets			
Housing properties (depreciated cost)	11	37,239,443	36,769,485
Less: SHG	11	<u>-22,830,498</u>	<u>-22,623,439</u>
		14,408,945	14,146,046
Investments			
Homebuy Loan	26	479,670	502,920
Homebuy Grant	26	<u>-479,670</u>	<u>-502,920</u>
		0	0
Other tangible fixed assets	12	22,402	22,364
Total fixed assets		<u>14,431,347</u>	<u>14,168,410</u>
Current assets			
Debtors	13	220,702	243,397
Cash at bank and in hand	22	<u>289,840</u>	<u>252,391</u>
		510,542	495,788
Creditors: amounts falling due within one year	14	-947,332	-1,051,654
Net current assets/(liabilities)		<u>-436,790</u>	<u>-555,866</u>
Total assets less current liabilities		<u>13,994,557</u>	<u>13,612,544</u>
Creditors: amounts falling due after one year	15	-10,413,053	-10,160,684
Net assets		<u>3,581,504</u>	<u>3,451,860</u>
Capital and reserves			
Called up share capital	17	59	55
Designated reserves	18	1,321,652	1,321,652
Revenue reserve	18	<u>2,259,793</u>	<u>2,130,153</u>
	19	<u>3,581,504</u>	<u>3,451,860</u>

The financial statements were approved by the Board on 20 June 2011 and signed on its behalf by:



G Davies (Chair)



C Patching (Vice Chair)



H Jones (Secretary)

Cashflow statement for the year ended 31 March 2011

	Note	2011	2010
		£	£
Net cashflow from operating activities	21	524,215	428,484
Return on investment and servicing of finance			
Interest received	7	176	251
Interest paid	8	-278,552	-348,191
		<u>-278,376</u>	<u>-347,940</u>
Capital expenditure			
Housing property		-825,919	235,029
Other fixed assets		-12,909	-10,106
Sale of Low Cost Home Ownership		43,950	0
		<u>-794,878</u>	<u>224,923</u>
Financing (principal)			
Issue of share capital	17	4	-4
Housing loans received	24	1,052,779	2,488,704
Housing loans repaid	24	-825,952	-2,204,933
Other loans repaid	24	0	0
Social Housing Grant received	25	359,657	471,508
Social Housing Grant repaid	25	0	-1,611,308
		<u>586,484</u>	<u>-856,029</u>
Increase in cash		<u>37,449</u>	<u>-550,566</u>

Reconciliation of net cashflow movement in net debt

	Note	2011	2010
		£	£
Increase/(Decrease) in cash in period	22	37,449	-550,566
Cash inflow/(outflow) from increase in debt	23	-226,827	-283,771
Change in debt		<u>-189,378</u>	<u>-834,337</u>
Opening net debt	23	<u>-10,242,802</u>	<u>-9,408,465</u>
Closing net debt		<u>-10,432,180</u>	<u>-10,242,802</u>

Notes to the financial statements 31 March 2011

Note 1: Accounting Policies

Basis of accounting

The financial statements of the Association are prepared under the historical cost convention in accordance with applicable accounting standards including The Accounting Requirements for Registered Social Landlords General Determination (Wales) 2009 and the 2008 Statement of Recommended Practice for Registered Social Landlords.

Hostels

Revenue grants are claimed by the Association as owner of the hostels. The grants are included in the income and expenditure account and balance sheet of the Association. The hostel's income and expenditure is included in the income and expenditure account (see notes 2 and 4).

Turnover

Turnover comprises:

- (a) rental income from tenants receivable in the year
- (b) revenue grants.

Interest payable

Interest is allocated at a constant rate on the carrying amount over the period of the borrowing.

Interest payable is charged to the income and expenditure account in the year.

Pensions

The Association participates in the industry wide defined benefit final salary pension scheme. Contributions are based on pension costs across the various participating associations taken as a whole. The assets of the scheme are invested and managed independently by a qualified actuary. Costs include the regular cost of providing benefits, which it is intended should remain a substantially level percentage of current and expected future earnings of the employees covered.

Housing properties

Housing properties are principally properties available for rent and are stated at cost less Social Housing Grant. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of the enhancement of economic benefits of the property.

Depreciation

Depreciation has been charged on housing properties based on the written down value of the cost (net of Social Housing Grant) other than freehold land, to the estimated residual value of the properties as a straight line basis over their expected useful economic lives.

Housing Properties Freehold – New properties 150 years. Rehabilitation properties 50-100 years on straight line method.

Social Housing Grant

Social Housing Grants (SHG) are receivable from the Welsh Assembly Government and are utilised to reduce the capital costs of housing properties. The amount of SHG receivable is calculated on a fixed basis depending on the size, location and type of housing property.

SHG due from the Welsh Assembly Government or received in advance is included as a current asset or liability. SHG 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. Where, following the sale of a property, SHG becomes repayable, to the extent it is not subject to abatement, it is included as a current liability until it is repaid. SHG is subordinated in respect of loans on agreement with the Welsh Assembly Government.

Impairment

Where it is recognised that there is a diminution of value of an asset, the full reduction in value is written off to the income and expenditure account in the year.

Other tangible fixed assets and depreciation

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to the estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Furniture and office equipment	15%
Computer equipment	25%
Hostel furniture equipment	25%

Capitalisation of Administrative Costs of Development

Costs that are directly attributable to bringing properties into working condition for their intended use are included in housing property costs.

Operating leases

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

Properties for outright sale

Completed properties for outright sale and work in progress are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and attributable production overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Low Cost Home Ownership

Surplus or deficit made on either the administration of Do-it-Yourself Homebuy Option or on the development of subsequent sale of Low Cost Home Ownership properties are charged or credited to the Income and Expenditure Account at the time the property has been sold.

Recycling capital grant

Some of the Association's properties funded by Social Housing Grant are available for sale to tenants. The net proceeds of sales are held as recycled capital grants within creditors.

Note 2a: Turnover, operating costs and operating surplus

	2011 £			2010 £		
	Turnover	Operating costs	Operating surplus	Turnover	Operating costs	Operating surplus
Social housing lettings (Note 2b)	2,689,488	-2,217,257	472,231	2,664,346	-1,924,605	739,741
Other social housing activities						
Other	80,945	-212,397	-131,452	54,135	-337,504	-283,369
Non-social housing activities						
Other	23,287	0	23,287	61,502	0	61,502
	<u>2,793,720</u>	<u>-2,429,654</u>	<u>364,066</u>	<u>2,779,983</u>	<u>-2,262,109</u>	<u>517,874</u>

Note 2b: Income and expenditure from social housing lettings

				2011 £	2010 £
	General needs and sheltered housing	Supported housing	Other social housing letting income	Total	Total
Income					
Rent receivable	2,342,981	165,649	0	2,508,630	2,475,344
Service charge income	88,602	0	0	88,602	80,747
Income from support services	0	0	0	0	0
Other revenue grants	0	92,256	0	92,256	108,256
Turnover from social housing lettings	<u>2,431,583</u>	<u>257,905</u>	<u>0</u>	<u>2,689,488</u>	<u>2,664,347</u>
Cost					
Management costs	517,866	215,526	0	733,392	658,484
Service charge costs	88,464	0	0	88,464	170,691
Routine maintenance	637,176	657	0	637,833	511,385
Major repairs expenditure	652,826	0	0	652,826	461,935
Bad debts	9,143	0	0	9,143	31,373
Depreciation of housing properties	95,599	0	0	95,599	90,736
Impairment of housing properties	0	0	0	0	0
Operating costs on social housing activities	<u>2,001,074</u>	<u>216,183</u>	<u>0</u>	<u>2,217,257</u>	<u>1,924,604</u>
Operating surplus/(deficit) on social housing lettings	<u>430,509</u>	<u>41,722</u>	<u>0</u>	<u>472,231</u>	<u>739,743</u>
Rent loss due to voids	-14,297	-67	0	-14,364	-11,090

Note 3: Lettings (operating costs)

	2011	2010
	£	£
Fully rented housing accommodation		
Services	87,813	169,479
Management	487,341	384,573
Day to day repairs/maintenance	541,076	387,826
Cyclical repairs/maintenance	94,376	113,744
Major repairs	652,576	460,064
Continuous improvement	22,678	25,870
Depreciation	95,598	90,736
Rent losses from bad debts	9,143	31,373
Shared ownership accommodation		
Services	606	1,182
Management	3,367	2,682
Hostel accommodation	216,183	257,077
Other		
Miscellaneous	0	0
	<u>2,210,757</u>	<u>1,924,606</u>

Note 4: Hostels (operating surplus)

	2011	2010
	£	£
Turnover	257,905	270,505
Operating costs	-216,183	-257,077
Operating (deficit)/surplus	<u>41,722</u>	<u>13,428</u>

Note 5: Lettings (turnover)

	2011	2010
	£	£
Rents	2,522,995	2,486,433
Service charges	88,602	80,747
Less: rent losses from voids	-14,364	-11,090
	<u>2,597,233</u>	<u>2,556,090</u>
Grant from local authorities and other agencies	79,248	98,839
Residents allowance	13,007	9,417
Turnover from lettings (note 2)	<u>2,689,488</u>	<u>2,664,346</u>

Note 6: Operating surplus analysed

	2011	2010
	£	£
Lettings	472,231	739,741
(Deficit)/Surplus on sale of properties	43,950	-35,984
Other	-108,165	-221,867
	<u>408,016</u>	<u>481,890</u>
Arrived at after charging/(crediting):		
Bad debts	9,143	31,373
Deprec of tangible fixed assets	12,872	12,811
Operating lease rentals – office equipment	9,059	8,800
External auditors' Remuneration		
In their capacity as Auditors	9,540	6,714
In respect of other services	624	0
Internal auditors		
	4,113	2,820
(Deficit)/Surplus on sale of properties	43,950	-35,984
Depreciation of properties	95,598	90,736
	<u>95,598</u>	<u>90,736</u>

Note 7: Interest receivable and other income

	2011	2010
	£	£
Interest receivable and other income	176	251
	<u>176</u>	<u>251</u>

Note 8: Interest payable and similar charges

	2011	2010
	£	£
Interest on loans/overdrafts repayable wholly: within five years	0	0
Interest on loans/overdrafts repayable wholly: other	8,606	8,030
Interest on loans repayable in more than five years	269,946	340,160
	<u>278,552</u>	<u>348,190</u>

Note 9: Employee information

	2011	2010
Average number of persons employed during the year was:		
Office staff	19	18
Wardens, caretakers and cleaners	6	6
	<u>25</u>	<u>24</u>
Costs		
Wages and Salaries	677,081	651,918
Social security costs	52,922	51,333
Other pension costs	94,746	79,879
	<u>824,749</u>	<u>783,130</u>

Pensions

Bro Myrddin Housing Association Limited participates in the Social Housing Pension Scheme (SHPS). 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 on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. 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 address 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 2008 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £1,527 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £663 million, equivalent to a past service funding level of 69.7%.

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 £1,985 million and indicated a reduction in the shortfall of assets compared to liabilities to approximately £497 million, equivalent to a past service funding level of 80.0%.

The next triennial formal valuation of the Scheme is due as at 30 September 2011. The results of the valuation will be available in the Autumn of 2012.

Note 10: Directors and Senior Management

	2011	2010
	£	£
Emolument including pension contributions	282,404	262,769
Emolument excluding pension contributions	262,151	234,968
Emolument (excluding pension contributions)		
were in the following ranges		
£0 – £15,000	0	1
£15,000 – £25,000	0	0
£25,000 – £35,000	0	2
£35,000 – £45,000	0	0
£45,000 – £55,000	4	2
£55,000 – £65,000	0	0
£65,000 – £75,000	1	1

- No emoluments were paid to members of the Board during the year.
- Expenses paid during the year to members of the Board amounted to £0 (2010: £0).
- The emoluments paid to the highest paid director were £67,115 (2010: £69,327).
- There were no related party transactions during the year (2010: £0).
- All tenant board members have tenancies let on the Association's standard terms and they cannot use their position to their advantage. The Association currently lets accommodation to three tenant Board members: B Hicks, M Edwards and R Daniels.

Note 11a: Tangible fixed assets – housing properties

	Shared ownership completed	Rented completed	Rented under construction	Total
	£	£	£	£
At 01/04/10	200,213	34,772,799	2,624,525	37,597,537
Additions	0	113,637	678,361	791,998
Reclassifications	0	971,086	-971,086	0
Disposals	0	-226,441	0	-226,441
At 31/03/11	200,213	35,631,081	2,331,800	38,163,094

Depreciation

At 01/04/10	0	828,053	0	828,053
Charge for year	0	95,598	0	95,598
Eliminated on disposal	0	0	0	0
At 31/03/11	0	923,651	0	923,651

Depreciated Costs

At 31/03/11	200,213	34,515,271	2,523,959	37,239,443
At 31/03/10	200,313	33,944,746	2,624,525	36,769,484

Note 11b: Tangible fixed assets – Social Housing Grant

	Shared ownership completed	Rented completed	Rented under construction	Total
	£	£	£	£
At 01/04/10	127,812	22,260,247	235,380	22,623,439
Additions	0	73,217	360,283	433,500
Reclassifications	0	595,663	-595,663	0
Disposals	0	-226,441	0	-226,441
At 31/03/11	127,812	22,702,686	0	22,830,498
At 31/03/10	127,812	22,260,247	235,380	22,623,439

- Development administration costs and other indirect costs capitalised in the year amounted to £80,945 (2010: £54,135).
- Interest capitalised during the year amounted to £0 (2010: £nil)

Note 11c: Social Housing Grant received

	2011	2010
	£	£
Capital Grants	22,830,498	22,623,439

Note 11d: All properties

	2011	2010
	£	£
Housing properties and offices comprise:		
Freehold land and buildings	14,408,946	14,146,046

Note 11e: Housing stock (units)

	Under construction		In management	
	2011	2010	2011	2010
General needs	0	5	724	717
Supported housing (bed spaces)	0	0	8	8
Low Cost Home Ownership	0	0	5	5
	<u>0</u>	<u>5</u>	<u>737</u>	<u>730</u>

Note 12: Tangible fixed assets – other

	Furniture and office equipment	Computer equipment	Total
	£	£	£
At 01/04/10	40,694	27,540	68,234
Additions	6,797	6,112	12,909
Disposals	0	0	0
At 31/03/11	<u>47,491</u>	<u>33,652</u>	<u>81,143</u>

Depreciation

At 01/04/10	28,077	17,792	45,869
Charge for year	6,279	6,593	12,872
Eliminated on disposal	0	0	0
At 31/03/11	<u>34,356</u>	<u>24,385</u>	<u>58,741</u>

Net book value

At 31/03/11	<u>13,135</u>	<u>9,267</u>	<u>22,402</u>
At 31/03/10	<u>12,616</u>	<u>9,748</u>	<u>22,364</u>

Note 13: Debtors

	2011	2010
	£	£
Due within one year		
Arrears of rent and service charges	149,779	147,827
Less: Provision for bad and doubtful debts	<u>-93,283</u>	<u>-94,426</u>
	56,496	53,401
Social Housing Grant receivable	7,458	27,088
Other debtors	7,464	44,379
Hostels	70,003	44,374
Prepayments and accrued income	<u>79,281</u>	<u>74,155</u>
	<u>220,702</u>	<u>243,397</u>

Note 14: Creditors – amounts falling due within one year

	2011	2010
	£	£
Debt (Note 16)	308,969	334,511
Maintenance	308,383	156,897
Rent and service charges received in advance	48,860	26,424
Social Housing Grant repayable	128,017	104,767
Social Housing Grant received in advance	0	116,723
Capital expenditure on housing properties	41,675	75,595
Hostels	25,714	28,054
Other creditors	<u>85,714</u>	<u>208,683</u>
	<u>947,332</u>	<u>1,051,654</u>

Note 15: Creditors – amounts falling due after more than one year

	2011	2010
	£	£
Debt (note 16)	10,413,053	10,160,684

Note 16: Debt analysis

	2011	2010
	£	£
Due within one year	308,969	334,512
Between one and two years	347,359	342,841
Between two and five years	1,182,725	1,073,028
After five years	8,882,969	8,744,814
	<u>10,722,022</u>	<u>10,495,195</u>

The bank loans and building society loans are secured by a fixed charge on individual properties.

The loans from NatWest/Orchardbrook are repaid in half-yearly instalments at a fixed interest rate of 10.14%.

The bank and other loans are repaid in monthly instalments at rates of interest ranging from 0.8% to 3.6%. The loans are repayable over a 10 to 25 year period.

Note 17: Called up share capital

	2011	2010
	£	£
Shares of £1 each issued and fully paid		
	55	59
Shares issued during the year	4	0
Shares surrendered during the year	0	-4
	<u>59</u>	<u>55</u>

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on winding up.

Note 18: Reserves

	Major repairs	Revenue	Total
	£	£	£
At 01/04/10	1,321,652	2,130,153	3,451,805
Surplus for year	0	129,640	129,640
Transfers	0	0	0
At 31/03/11	<u>1,321,652</u>	<u>2,259,793</u>	<u>3,581,445</u>

Note 19: Reconciliation of movement in funds

	2011	2010
	£	£
Issue/surrender of shares	3,451,860	3,317,914
Surplus for the financial year	4	-4
	<u>129,640</u>	<u>133,950</u>
	<u>3,581,504</u>	<u>3,451,860</u>

Note 20: Financial commitments

	2011	2010
	£	£
Capital expenditure commitments		
Expenditure contracted for but not provided in the accounts	7,477	144,296
Expenditure authorised by the Board but not contracted	1,984,470	375,000
	<u>1,991,947</u>	<u>519,296</u>
Operating leases – office equipment, computers, leases		
Expiring within one year	3,009	414
Expiring between one and five years	42,720	46,320
	<u>45,729</u>	<u>46,734</u>

Note 21: Reconciliation of operating surplus net cash flow from operating activities

	2011	2010
	£	£
Operating surplus	364,066	517,874
Depreciation of tangible fixed assets	108,470	50,065
Loss on sale of fixed assets	0	-35,984
	<u>472,536</u>	<u>531,955</u>
Working Capital Movements:		
Debtors	3,065	7,620
Creditors	48,614	-111,091
Net cash flow from operating activities	<u>524,215</u>	<u>428,484</u>

Note 22: Analysis of the balances of cash and cash equivalents

	2011	2010
	£	£
Cash at bank	252,391	802,957
Net cash (outflow)/inflow	<u>37,449</u>	<u>-550,566</u>
	<u>289,840</u>	<u>252,391</u>

Note 23: Analysis of changes in net debt

	01/04/10	Cashflow	31/03/11
	£	£	£
Cash in hand and at bank	252,391	37,449	289,840
Debt due within one year	-334,511	25,542	-308,969
Debt due after one year	-10,160,683	-252,370	-10,413,053
	<u>-10,242,803</u>	<u>-189,379</u>	<u>-10,432,182</u>

Note 24: Analysis of changes in financing

	Housing loans	Housing loans
	2011	2010
	£	£
Movement in loans receivable	10,495,195	10,211,423
Loans repaid	1,052,779	2,488,705
Cash inflow from financing	-825,952	-2,204,933
	<u>0</u>	<u>0</u>
	<u>10,722,022</u>	<u>10,495,195</u>

Note 25: Analysis of movements in capital grants

	2011	2010
	£	£
Received in year	22,623,439	24,487,649
	207,059	-1,864,210
	<u>22,830,498</u>	<u>22,623,439</u>

Note 26: Fixed Asset Investments

	2011	2010
	£	£
Cost of Homebuy Loans	479,670	502,920
Less: SHG	-479,670	-502,920
	<u>0</u>	<u>0</u>

The above investments represent a 30% interest in properties acquired under Low Cost Home Ownership schemes.

