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CASTLEMILK TENANTS' HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2009

Registered Social Landlord No. 332

Financial Services Number: 2605 RS

CASTLEMILK TENANTS' HOUSING ASSOCIATION LIMITED

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MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS

YEAR ENDED 31ST MARCH 2009

MANAGEMENT COMMITTEE

Kate Willis	Chairperson
Barry Watson	Vice Chair
Christine Devine	Treasurer
Margaret Ward	(Deceased May 2009)
Elizabeth Ireland	(Deceased August 2008)
Irene Murdoch	
Tony Burns	
Alice Smith	(Resigned February 2009)
Glenn Elder	
Mary Topper	
Rose Ellen Howie	(Co-opted 12 January 2009)
Secretary	
Mari Lemon	(Appointed 14 February 2008)

REGISTERED OFFICE

15 Dougrie Road
Castlemilk
Glasgow
G45 9NG

AUDITORS

Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow
G2 7HF

BANKERS

Lloyds TSB
391 Carmunnock Road
Glasgow
G45 9RF

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31ST MARCH 2009

The Management Committee present their Report and the Financial Statements for the year ended 31st March 2009.

Principal Activities

The Association's principal activity in the year was that of acting as a Local Housing Organisation for Glasgow Housing Association (GHA).

Review of Business

The Association received income to finance its activities from Glasgow Housing Association and other bodies during the year.

The Association wishes to thank Glasgow City Council, the Scottish Government, Glasgow Community Safety Services, SECPP, Strathclyde Police, Strathclyde Fire & Rescue, the Wise Group, Collective Architecture, the Big Lottery and others who have provided funding and support to the many varied and innovative projects undertaken, and still currently underway, in conjunction with the Association and G.H.A's Wider Action Team.

Funds have been included within Deferred Income in creditors as the expenditure related to a number of these projects had not yet been incurred by 31 March 2009. The funds are held solely for these projects and will be released as expenditure is incurred in relation to these projects.

The Association is grateful to these funders for their invaluable support in delivering Wider Action projects.

Management Committee and 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 organisation.

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 gives 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;
- prepare a statement on Internal Financial Control.

REPORT OF THE MANAGEMENT COMMITTEE (Contd.)**FOR THE YEAR ENDED 31ST MARCH 2009****Statement of Management Committee's Responsibilities (Contd.)**

The Management Committee is 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 Act 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Housing Associations (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. It is 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 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.

Statement on Internal Financial Control

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

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

It is the Committee of Management's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statements or loss. Key elements include ensuring that;

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets.
- experienced and suitably qualified staff take responsibility for important business functions, annual appraisal procedures have been established to maintain standards of performance.
- forecasts and budgets are prepared regularly which allow the Committee of Management and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.

REPORT OF THE MANAGEMENT COMMITTEE (Contd.)

FOR THE YEAR ENDED 31ST MARCH 2009

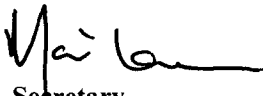
Statement on Internal Financial Control (Contd.)

- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Committee of Management.
- the Committee of Management review reports from management, from directors, staff and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed, including 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.

Auditors

Alexander Sloan, Chartered Accountants, were appointed Auditors during the year. A resolution to re-appoint Alexander Sloan will be proposed at the Annual General Meeting.

On behalf of the Management Committee


Secretary

22 August 2009

CASTLEMILK TENANTS' HOUSING ASSOCIATION LIMITED

ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on Pages 3-4 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 2006/05 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 3-4 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 Board of Director's Statement on Internal Financial Control appropriately reflects the company's compliance with the information required by the section on Internal Financial Control within SFHA's "Raising Standards in Housing".

Alexander Sloan

ALEXANDER SLOAN
Chartered Accountants

GLASGOW, 22 August 2009

CASTLEMILK TENANTS' HOUSING ASSOCIATION LIMITED

We have audited the Financial Statements of Castlemilk Tenants' Housing Association Limited for the year ended 31st March 2009 on pages 8 to 14. These Financial Statements have been prepared under the historical cost convention and 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).

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 Act 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Housing Associations 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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard – Provisions Available for Smaller Entities, in the circumstances set out in Note 12 to the financial statements.

CASTLEMILK TENANTS' HOUSING ASSOCIATION LIMITED

Opinion

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 2009 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 Housing Associations (Accounting Requirements) (Scotland) Order 2007.

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

Alexander Sloan

ALEXANDER SLOAN
Chartered Accountants
Registered Auditors

GLASGOW, 22 August 2009

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2009

	Notes	2009 £	2008 £
TURNOVER	2	161,400	7,709
Operating Costs	2	(161,173)	(8,770)
Operating Surplus/(Deficit)		227	(1,061)
Interest Receivable		8	4
Surplus / (Deficit) on Ordinary Activities before taxation		235	(1,057)
Taxation	9	-	-
Surplus/(Deficit) for the Year	8	235	(1,057)

All amounts relate to continuing activities.

All recognised surpluses and deficits have been included in the Income and Expenditure Account.

BALANCE SHEET

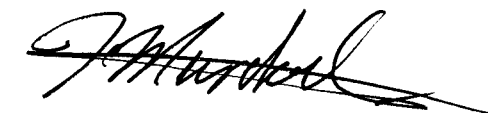
AS AT 31ST MARCH 2009

	Notes	2009		2008	
		£	£	£	£
CURRENT ASSETS					
Debtors	5	17,582		-	
Cash in Bank and on Hand		73,707		11,690	
		<hr/>	91,289	<hr/>	11,690
CREDITORS					
Amounts falling due within one year	6		(90,337)		(10,973)
			<hr/>	<hr/>	
NET CURRENT ASSETS					
			<hr/> 952 <hr/>	<hr/> 717 <hr/>	
CAPITAL AND RESERVES					
Share Capital	7		221		221
Revenue Reserves	8		731		496
			<hr/>	<hr/>	
			<hr/> 952 <hr/>	<hr/> 717 <hr/>	

These Financial Statements were approved by the Management Committee on 22 August 2009 and were signed on its behalf by:


Secretary


Committee Member


Committee Member

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2009

	Notes	2009 £	2008 £
Net cash inflow from operating activities	a.	62,009	8,193
Returns on investments and servicing of finance	b.	8	4
Financing			
- Share capital issued		-	10
		—	—
Increase in cash	c.	<u>62,017</u>	<u>8,207</u>

NOTES ON CASH FLOW STATEMENT

a) Reconciliation of Operating Surplus in the Period to Net Cash (Outflow)/Inflow from Operating Activities

	2009 £	2008 £
Operating Surplus/(Deficit)	227	(1,061)
(Increase)/ Decrease in Debtors	(17,582)	27
Increase in Creditors	79,364	9,233
Share capital cancelled	-	(6)
	—	—
Net Cash Inflow from Operating Activities	<u>62,009</u>	<u>8,193</u>

b) Returns on investments and servicing of finance

Interest received	<u>8</u>	<u>4</u>
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c) Analysis of Changes in Net Debt

	1 April 08	Cash Flow	31 March 09
Cash in hand, at bank	<u>11,690</u>	<u>62,017</u>	<u>73,707</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2009

1. ACCOUNTING POLICIES

Basis of Preparation

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting for Registered Social Landlords 2008, and on the historical cost basis. They also comply with the Registered Social Landlords (Accounting Requirements) (Scotland) Order 2007. The Association's accounting policies are set out below.

Revenue Grants

Grants received in respect of revenue expenditure are credited to the Income and Expenditure Account in the same period as the expenditure to which it relates.

VAT

The Association is not registered for VAT. As a result all income and expenditure is recorded gross within the financial statements.

2. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT

	Notes	Turnover £	2009 Operating Costs £	Operating Surplus £
Other Activities	3	161,400	161,173	227
		_____	_____	_____
		Turnover £	2008 Operating Costs £	Operating (Deficit) £
Other Activities	3	7,709	8,770	(1,061)
		_____	_____	_____

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2009

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

	Grants from Scottish Ministers £	Other Revenue Grants £	Other Income £	Total Turnover £	Other Operating Costs £	Operating Surplus/(Deficit) 2009 £	Operating (Deficit) 2008 £
Wider Action Projects	30,000	110,500	-	140,500	140,500	-	-
Staff Performance Award	-	15,167	-	15,167	15,167	-	-
Other LHO Management Activities	-	2,202	3,531	5,733	5,506	227	(1,061)
Total from other activities	30,000	127,869	3,531	161,400	161,173	227	(1,061)
2008	-	1,000	6,709	7,709	8,770	(1,061)	

2009 £ 2008 £

4. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

Surplus on ordinary activities before taxation is stated after charging:

Auditors' Remuneration:

- In their capacity as auditors

===== =====

No audit fees have been accrued at either year end, as all audit costs will be met by Glasgow Housing Association (GHA) Limited.

5. DEBTORS

Grant income receivable	9,648	-
Other debtors	7,934	-
	=====	=====
	17,582	-
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2009

	2009 £	2008 £
6. CREDITORS		
Amounts falling due within one year:-		
Accruals and deferred income	90,337	10,973
Corporation Tax	-	-
	<hr/>	<hr/>
	90,337	10,973
	<hr/>	<hr/>

At 31 March 2009 accruals and deferred income included income which has been deferred in relation to the following:

Dougie Place Lighting Project	35,516	9,751
Communities Against Disorder Initiative	10,000	-
Staff Performance Fund	2,136	-
Attractive Environment Competition	1,200	-
Tenant Participation	1,998	-
	<hr/>	<hr/>
Deferred income	50,850	9,751
	<hr/>	<hr/>

The funds are held solely for each individual project and will be released as expenditure is incurred in relation to this project.

	2009 £	2008 £
7. SHARE CAPITAL		
Shares of £1 each		
At 31 March 2008	221	217
Shares issued	-	10
Shares cancelled	-	(6)
	<hr/>	<hr/>
At 31 March 2009	221	221
	<hr/>	<hr/>

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.

	2009 £	2008 £
8. REVENUE RESERVES		
As at 1 st April 2008	496	1,553
Surplus / (Deficit) for the year	235	(1,057)
	<hr/>	<hr/>
As at 31 st March 2009	731	496
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2009

9. TAX ON SURPLUS ON ORDINARY ACTIVITIES

	2009 £	2008 £
Analysis of charge in period:		
Current tax:-		
UK corporation tax on surpluses for the year	-	-
Adjustments in respect of previous periods	-	-
	—	—
Total current tax charge	—	—

10. HOUSING STOCK

	2009	2008
	Units in Management	Units in Management
The number of units of accommodation in management at the year end was:-		
General needs	<u>1,734</u>	<u>1,757</u>

11. RELATED PARTY TRANSACTIONS

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 8.

The related party relationships of the members of the Management Committee is summarised as follows:

- 10 members who served on the committee during the year are tenants of properties managed by the LHO.

The members of the Management Committee who are tenants of the properties managed by Castlemilk Tenants' Housing Association all have tenancies on normal tenancy terms and they cannot use their positions to their advantage.

12. NON-AUDIT SERVICES

In common with many other organisations of our size and nature we use our auditors to assist with the preparation of the financial statements and tax computations.