



ABERTAY HOUSING ASSOCIATION LIMITED

Report and Financial Statements

For the year ended 31 March 2014

Registration information

Registered Housing Association Number HAL 297

Registered Friendly Society Number 2517R (S)

Charity Number SC030152

ABERTAY HOUSING ASSOCIATION LIMITED

Report and Financial Statements

For the year ended 31 March 2014

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Members, Executives and Advisers

Committee of Management

Dorothy Taylor	Chairperson (from 22 May 2013)
Kathleen Mands	Vice Chairperson (from 22 May 2013)
Darren Keddie	
Ian Mathers	
Drew McKelvie	
Bryan Morris	Resigned 18 th September 2013
John Mudie	Resigned 28 th May 2014
Ron Neave	
Helen Reeves	
Andrew Saum	Resigned 26 th March 2014
Beverley Searle	
Meryle Taylor	
Billy Webster	
Duncan Wood	

Executive Officers

Ian Thomson	Chief Executive and Company Secretary
Bob Sander	Operations Director
Marjorie Sloan	Corporate Services Director

Registered office

147 Fintry Drive
Dundee
DD4 9HE

Auditor

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

Solicitors

Thorntons WS
33 Yeaman Shore
Dundee
DD1 4BJ

Bankers

Royal Bank of Scotland plc
3 High Street
Dundee
DD1 9LY

**Report of the Management Committee
For the year ended 31 March 2014**

The Committee of Management present their report and the audited financial statements for the year ended 31 March 2014.

Principal activities

Abertay Housing Association Limited is a not for profit organisation, administered by a voluntary Management Committee. The principal activity of the Association is the provision of affordable rented accommodation in an efficient, caring and friendly environment for people in housing need.

Review of business and future developments

The Association continued to provide affordable rented accommodation and to maintain and improve its properties to a high standard.

The Committee of Management, in consultation with tenants, applied a rent increase of 4.0% taking effect from 1 April 2013 (2013: 5.2%). We strive to ensure that our rents remain competitive and affordable for our tenants.

The Association owned 1,768 properties at the end of the year. Of these 281 are used to provide sheltered housing. During the year 2 properties were sold under the Right to Buy entitlement. While the Association has successfully built around 170 high quality new homes in Dundee for affordable rent in recent years, the current levels of public subsidy are not sufficient to make this activity viable, and no new developments are currently planned.

The Association's priorities are to provide the best standard of homes for affordable let, and the best standard of service it can. We undertook an ambitious programme of improvements and planned maintenance during the year with a total spend of £5.4million. This included expenditure of approximately £3.6million on our multi-storey blocks at Dryburgh Gardens. Externally, we carried out re-roofing, structural repairs, and external insulation to the blocks. Within the flats, we replaced the bathrooms, kitchens, upgraded the heating and electrics, replaced the windows and doors and installed new hot water cylinders. We also incurred expenditure of £1.2million installing 296 new central heating systems in our tenants' homes. Much of this work was carried out to meet or exceed the requirements of the Scottish Housing Quality Standard, and we will continue to spend heavily on improving our stock over the coming years.

Details of movements of the Association's fixed assets during the year are set out in Notes 7 and 8.

In order to fund the significant maintenance programme mentioned above, the Association secured further borrowing of £2 million during the year.

The Association's bank balances decreased over the year, from £3.8 million to £2.7 million.

**Report of the Management Committee
For the year ended 31 March 2014**

Management Committee and Executive Officers

The Committee of Management and executive officers of the Association are listed on page 1. Each elected member of the committee of management holds one fully paid share of £1 in the Association. The executive officers of the Association hold no interest in its share capital, and although not having the legal status of directors, they act as executives within the authority delegated by the Committee.

Related Party Transactions

The tenants who sit on the Committee of Management have entered into tenancies on the Association's normal terms and conditions and they cannot use their position to their advantage.

Statement of Committee's Responsibilities

Housing association legislation requires the 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 income and expenditure of the Association for the year ended on that date. In preparing those financial statements the committee are required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the association will continue in business.

The Committee is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Association, and for maintaining a satisfactory system of control over the Association's accounting records and transactions. The Committee is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the Management Committee
For the year ended 31 March 2014****Statement on Internal Financial Control**

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

1. The reliability of financial information used within the Association or provided for external users;
2. The maintenance of proper accounting records; and
3. The safeguarding of assets against unauthorised use or disposition.

Such systems of internal financial control can only provide reasonable and not absolute assurance against material misstatement or loss.

Key procedures, which the Committee has established and which are designed to provide effective financial control, include the following:-

1. Formal policies and procedures are in place for the appointment of suitably qualified and experienced senior staff members and consultants. These policies and procedures also detail duties and levels of authority for Committee Members, staff and agents.
2. An Internal Audit control system has been introduced with a rolling programme of reviews covering the entire control system.
3. A system of budgetary control is implemented with investigation of variances and reporting to the Committee on a quarterly basis.
4. A strategic plan and medium-term projections have been prepared and approved by the Committee. These will be reviewed annually.
5. The Audit Committee reviews on behalf of the Management Committee, reports from the auditors to provide reasonable assurance that control procedures are in place and are being followed.
6. All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures at full Committee level.

The Management Committee confirms that it has reviewed the effectiveness of the Association's system of internal financial control as it operated during the year ended 31 March 2014. No weaknesses were found in internal financial controls, which resulted in material losses, contingencies or uncertainties that require disclosure in the financial statements, or in the auditor's report on the financial statements.

Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are members of the Management Committee at the time the report is approved:

- So far as the Committee members are aware, there is no relevant information of which the Association's auditor is unaware, and
- He/she has taken all the steps that he/she ought to have taken as a Committee member in order to make himself/herself aware of any relevant information, and to establish that the Association's auditor is aware of the information.

**Report of the Management Committee
For the year ended 31 March 2014**

Auditor

Scott-Moncrieff have expressed their willingness to continue in office as the auditor. A resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

By order of the Committee

A handwritten signature in black ink, appearing to read 'Ian Thomson', written over a horizontal line.

**Ian Thomson
Secretary**

Dated: 27 August 2014

Independent Auditor's Report to the Members of Abertay Housing Association Limited

We have audited the financial statements of Abertay Housing Association Limited for the year ended 31 March 2014 which comprise the Income and Expenditure Account, the Statement of Recognised Surpluses and Deficits, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied 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 Co-operative & Community Benefit Societies and Credit Union Act 2014. 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 auditors

As explained more fully in the Management Committee Responsibilities statement set out on page 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/apb/scope/private.cfm

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 2014 and of its income and expenditure 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; and
- have been prepared in accordance with the requirements of The Co-operative & Community Benefit Societies and Credit Union Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2012 issued by the Scottish Housing Regulator.

Independent Auditor's Report to the Members of Abertay Housing Association Limited (cont'd)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where The Co-operative & Community Benefit Societies and Credit Union Act 2014 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.



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

Dated: 27 August 2014

Report of the Auditor to the Management Committee of Abertay Housing Association Limited on Corporate Governance Matters

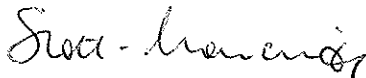
In addition to our audit of the Financial Statements, we have reviewed your Statement in the Report of the Management Committee concerning the Association's compliance with the paragraphs of the Internal Financial Control section within the SFHA's publication "Raising Standards in Housing". The objective 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 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
Statutory Auditor
Chartered Accountants
25 Bothwell Street
Glasgow
G2 6NL

Dated: 27 August 2014

**Income and Expenditure Account
For the year ended 31 March 2014**

	Notes	2014 £	2013 £
Turnover	2	7,823,071	7,178,019
Less: Operating costs	2	(8,206,941)	(5,780,388)
Operating (deficit)/surplus	2	<u>(383,870)</u>	<u>1,397,631</u>
Gain on sale of fixed assets	10	26,981	69,623
Interest receivable		20,752	41,424
Interest payable	6	(742,977)	(737,453)
(Deficit)/surplus on ordinary activities before taxation		<u>(1,079,114)</u>	<u>771,225</u>
Tax on surplus on ordinary activities	20	-	-
Retained (deficit)/surplus for the year transferred to reserves	17	<u><u>(1,079,114)</u></u>	<u><u>771,225</u></u>

The results for the year relate wholly to continuing activities and the reported (deficit)/surplus was determined under the historical cost convention.

**Statement of Recognised Surpluses and Deficits
For the year ended 31 March 2014**

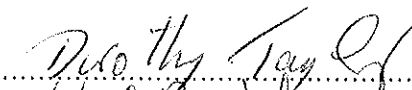
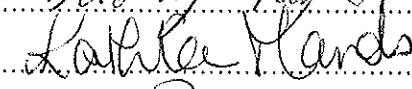
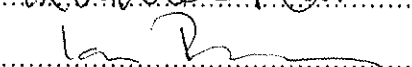
	Notes	2014 £	2013 £
(Deficit)/surplus for the year		(1,079,114)	771,225
Actual return less expected return on pension scheme assets	25	73,421	427,205
Effect of changes in the actuarial assumptions	25	(328,748)	(306,269)
Total (deficit)/surplus recognised since the last annual report		<u><u>(1,334,441)</u></u>	<u><u>892,161</u></u>

The notes on pages 12 to 25 form part of these financial statements

Balance Sheet
As at 31 March 2014

	Notes	2014 £	2013 £
Tangible fixed assets			
Housing properties	7	35,487,462	34,112,267
Less: HAG and other grants	7	(11,069,297)	(11,268,144)
		<u>24,418,165</u>	<u>22,844,123</u>
Other fixed assets	8	332,343	368,461
		<u>24,750,508</u>	<u>23,212,584</u>
Current assets			
Debtors	11	504,816	362,209
Cash at bank	22	2,709,459	3,760,395
		<u>3,214,275</u>	<u>4,122,604</u>
Current Liabilities			
Creditors: amounts falling due within one year	12	(1,829,918)	(1,965,399)
Net current assets		<u>1,384,357</u>	<u>2,157,205</u>
Total assets less current liabilities		26,134,865	25,369,789
Creditors: amounts falling due after more than one year	13	(13,528,893)	(11,761,798)
Pension liability	25	(1,859,568)	(1,526,729)
		<u>10,746,404</u>	<u>12,081,262</u>
Capital and reserves			
Share capital	15	218	253
Designated reserves	16	3,870,903	3,871,285
Revenue reserve	17	8,734,851	9,736,453
Pension reserve	17	(1,859,568)	(1,526,729)
		<u>10,746,404</u>	<u>12,081,262</u>

The financial statements on pages 9 to 25 were authorised for issue by the Committee of Management on 27 August 2014 and were signed on its behalf by:

Chair		Dorothy Taylor
Vice Chair		Kathleen Mands
Secretary		Ian Thomson

The notes on pages 12 to 25 form part of these financial statements.

Cash Flow Statement
For the year ended 31 March 2014

	Notes	2014		2013	
		£	£	£	£
Net cash inflow from operating activities	21		977,177		3,272,264
Returns on investments and servicing of finance					
Interest received		20,752		41,424	
Interest paid		(742,977)		(737,453)	
Net cash (outflow) from returns on Investments and servicing of finance			(722,225)		(696,029)
Capital Expenditure and financial investment					
Property component additions		(3,106,787)		(1,772,212)	
Purchase of other fixed assets		(27,403)		(35,404)	
Sales of properties, net proceeds		50,317		97,851	
Net cash (outflow) from capital expenditure			(3,083,873)		(1,709,765)
Net cash inflow/(outflow) before use of liquid resources and financing			(2,828,921)		866,404
Financing					
Loan advances received		2,000,000		-	
Loan repayment		(221,980)		(201,301)	
Issue of share capital		18		9	
Cancelled shares		(53)		(66)	
Net cash inflow/(outflow) from financing			1,777,985		(201,358)
(Decrease)/Increase in cash	22		(1,050,936)		665,112

Notes to the Financial Statements
For the year ended 31 March 2014

The Association is registered under The Co-operative & Community Benefit Societies and Credit Union Act 2010, 2014. The financial statements have been prepared in accordance with The Determination of Accounting Requirements 2012 issued by the Scottish Housing Regulator and the Statement of Recommended Practice 2010 (SORP), Accounting by Registered Social Housing Providers.

1. Accounting Policies

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

(a) Accounting Convention

The financial statements are prepared under the historical cost convention.

(b) Basis of Accounting

The financial statements are prepared in accordance with applicable accounting standards and statements of recommended practice.

(c) Going Concern

The Association has a healthy cash position and thus the Management Committee is satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus the Management Committee continue to adopt the going concern basis of accounting in preparing the annual financial statements.

(d) Turnover

Turnover represents rental and service charge income and revenue based grants receivable from the local authority and from the Scottish Government.

(e) Repairs and Maintenance Costs

Costs for reactive and planned maintenance are charged to the Income and Expenditure Account as they are incurred. Property improvements are capitalised, if these are material in nature and can give rise to additional income. These capitalised improvements are subsequently written off in line with the Association's fixed asset policy.

(f) Loans

Loans are advanced by private lenders under the terms of individual loan agreements.

(g) Fixed Assets

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

Land	Not Depreciated
Structure	over 50 years
Roofs	over 40 years
Window & Doors	over 20 years
Kitchens	over 15 years
Bathrooms	over 20 years
Central Heating	over 15-20 years

The Association owned 2 substandard properties at the balance sheet date, which will eventually be demolished and these particular properties have been fully depreciated.

Notes to the Financial Statements
For the year ended 31 March 2014

1. Accounting Policies (continued)

Other fixed assets are depreciated at the following rates, which are calculated to write off the cost of the assets over their expected useful lives on a straight line basis.

Office premises	4%
Housing Stock Improvements	5%
Furniture & Fittings	10% - 20%
Machinery & Equipment	6.67%
Computer hardware & software	25%

(h) Sale of Housing Properties

Properties are disposed of under the appropriate legislation and guidance. Gains and losses on sale are accounted for in accordance with Financial Reporting Standard 15.

(i) Social Housing Grants (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.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate. SHG is repayable under certain circumstances primarily following sale of property, but will normally be restricted to net proceeds of sale.

(j) Supporting People

Grants received in relation to Supporting People activities are shown in other income and the associated costs are expensed through the Income and Expenditure Account.

(k) Designated Reserves

In accordance with its policy of maintaining its properties to a high standard, the Association makes transfers to a reserve for future major repairs and other significant costs including demolition works. Transfers to the Income and Expenditure Account are made to offset actual costs of major repairs which are charged to the Income and Expenditure Account when incurred.

(l) Pension Scheme

The Association participates in the Dundee City Council Superannuation Scheme (LGSS) which provides benefits based on final pensionable salary. The assets of the scheme are held and invested separately from those of the Association.

The Association accounts for the pension scheme in accordance with FRS 17. Contributions to the scheme are charged to the Income & Expenditure Account so as to spread the cost of pensions over the employees' working lives with the Association.

The difference between the actual and expected returns on assets during the year, including changes in the actuarial assumptions are recognised in the Statement of Recognised Surpluses and Deficits.

Notes to the Financial Statements
For the year ended 31 March 2014

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

	Notes	2014		2013		
		Turnover £	Operating Costs £	Turnover £	Operating Costs £	Operating Surplus
Income and expenditure from lettings	3	6,822,444	7,522,486	6,578,639	5,332,877	1,245,762
Other income and expenditure	4	1,000,627	684,455	599,380	447,511	151,869
		<u>7,823,071</u>	<u>8,206,941</u>	<u>7,178,019</u>	<u>5,780,388</u>	<u>1,397,631</u>
			<u>(700,042)</u>			
			316,172			
			<u>(383,870)</u>			

Notes to the Financial Statements
For the year ended 31 March 2014

3. Particulars of Income and Expenditure from Lettings

	General Needs Housing £	Sheltered Housing £	2014 £	2013 £
Income from lettings				
Rent receivable net of identifiable service charges	5,633,957	943,836	6,577,793	6,333,616
Identifiable service charges receivable	-	321,245	321,245	305,109
Gross rents receivable	<u>5,633,957</u>	<u>1,265,081</u>	<u>6,899,038</u>	<u>6,638,725</u>
Less: rent losses from voids	<u>(52,521)</u>	<u>(34,329)</u>	<u>(86,850)</u>	<u>(60,086)</u>
Total net income from lettings	<u>5,581,436</u>	<u>1,230,752</u>	<u>6,812,188</u>	<u>6,578,639</u>
Grants from the Scottish Ministers	-	-	-	-
Other revenue grants	10,256	-	10,256	-
Total turnover from social letting activities	<u>5,591,692</u>	<u>1,230,752</u>	<u>6,822,444</u>	<u>6,578,639</u>
Expenditure on letting activities				
Management and maintenance administration costs	1,655,088	119,402	1,774,490	1,659,675
Service costs	172,040	149,256	321,296	250,761
Planned and cyclical maintenance including major repairs	1,932,154	366,467	2,298,621	629,728
Reactive maintenance	1,312,219	171,224	1,483,443	1,387,536
Rent losses from bad debts	128,905	6,325	135,230	61,583
Depreciation of social housing	1,509,406	-	1,509,406	1,343,594
Impairment of social housing	-	-	-	-
Operating costs for social letting activities	<u>6,709,812</u>	<u>812,674</u>	<u>7,522,486</u>	<u>5,332,877</u>
Operating Surplus/(Deficit) for social lettings, 2014	<u>(1,118,120)</u>	<u>418,078</u>	<u>(700,042)</u>	<u>1,245,762</u>
Operating Surplus for social lettings, 2013	<u>578,082</u>	<u>667,680</u>	<u>1,245,762</u>	

Notes to the Financial Statements
For the year ended 31 March 2014

4. Particulars of other Income and Expenditure

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total turnover 2014	Total turnover 2013	Operating costs – bad debts	Other operating costs	Operating surplus or (deficit) 2014	Operating surplus or (deficit) 2013
	£	£	£	£	£	£	£	£	£	£
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of house	-	-	-	-	-	-	-	-	-	-
Care and repair of property	137,802	309,050	-	50,001	496,853	197,268	-	321,790	175,063	55,774
Factoring	-	-	-	254,702	254,702	147,998	5,461	190,863	58,378	19,750
Development and construction of property activities	-	-	-	-	-	-	-	-	-	-
Support activities	-	-	120,964	128,108	249,072	254,114	-	166,341	82,731	76,345
Care activities	-	-	-	-	-	-	-	-	-	-
Agency/management services for RSLs	-	-	-	-	-	-	-	-	-	-
Other agency / management services	-	-	-	-	-	-	-	-	-	-
Developments for sale to RSLs	-	-	-	-	-	-	-	-	-	-
Development and improvements for sale to non RSLs	-	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	-	-	-	-	-	-	-
Total from other activities, 2014	137,802	309,050	120,964	432,811	1,000,627		5,461	678,994	316,172	
Total from other activities, 2013	168,154	-	127,331	303,895		599,380	6,980	440,531		151,869

Notes to the Financial Statements
For the year ended 31 March 2014

5.	Operating (Deficit)/Surplus	2014	2013
		£	£
	Operating (deficit)/surplus is stated after charging:		
	Depreciation	1,572,927	1,402,228
	Property maintenance	3,782,064	2,017,264
	Auditor's Remuneration		
	- Audit services	7,955	9,965
	- Non-audit services	0	300
		<u> </u>	<u> </u>
6.	Interest Payable	2014	2013
		£	£
	Interest payable in the year has been charged as follows:		
	Income and expenditure account	742,977	737,453
		<u> </u>	<u> </u>
7.	Tangible Fixed Assets:		
	Housing Properties	Housing stock	Housing stock
		held for letting	under
			development
	Cost	£	£
	As at 1 April 2013	44,019,292	360,386
	Additions	2,949,398	157,391
	Disposals	(671,256)	-
	Transfers	360,386	(360,386)
		<u> </u>	<u> </u>
	As at 31 March 2014	46,657,820	157,391
		<u> </u>	<u> </u>
	Grants		
	As at 1 April 2013	(12,486,302)	-
	Disposals	4,971	-
		<u> </u>	<u> </u>
	As at 31 March 2014	(12,481,331)	-
		<u> </u>	<u> </u>
	Depreciation		
	As at 1 April 2013	(10,267,411)	-
	Charge for period	(1,482,639)	-
	On disposals	422,301	-
		<u> </u>	<u> </u>
	As at 31 March 2014	(11,327,749)	-
		<u> </u>	<u> </u>
	Grant Amortisation		
	As at 1 April 2013	1,218,158	-
	Charge for period	196,707	-
	On disposals	(2,831)	-
		<u> </u>	<u> </u>
	As at 31 March 2014	1,412,034	-
		<u> </u>	<u> </u>
	Net Book Value		
	As at 31 March 2013	22,483,737	360,386
		<u> </u>	<u> </u>
	Net Book Value		
	As at 31 March 2014	24,260,774	157,391
		<u> </u>	<u> </u>

The additions in the year relate to the cost of components capitalised. Components with a cost of £630,777 have been disposed of in the year (2013: £610,823)

Properties with a cost of £40,479 have been disposed of in the year (2013: £29,221). Proceeds of £52,500 were received in respect of these sales (2013: £100,000).

Notes to the Financial Statements
For the year ended 31 March 2014

8. Tangible Fixed Assets:					
Other Fixed Assets	Office Property £	Machinery & Equipment £	Computer Equipment £	Furniture & Fittings £	Total £
Cost					
As at 1 April 2013	380,133	206,990	115,042	170,551	872,716
Additions	-	-	24,687	2,716	27,403
Disposals	-	-	(993)	-	(993)
As at 31 March 2014	<u>380,133</u>	<u>206,990</u>	<u>138,736</u>	<u>173,267</u>	<u>899,126</u>
Grants					
As at 1 April 2013	-	-	-	(53,272)	(53,272)
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 March 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,272)</u>	<u>(53,272)</u>
Depreciation					
As at 1 April 2013	(171,813)	(136,450)	(82,681)	(60,039)	(450,983)
Charge for period	(15,205)	(13,806)	(18,539)	(15,971)	(63,521)
On disposals	-	-	993	-	993
As at 31 March 2014	<u>(187,018)</u>	<u>(150,256)</u>	<u>(100,227)</u>	<u>(76,010)</u>	<u>(513,511)</u>
Net Book Value					
As at 31 March 2013	<u>208,320</u>	<u>70,540</u>	<u>32,361</u>	<u>57,240</u>	<u>368,461</u>
Net Book Value					
As at 31 March 2014	<u>193,115</u>	<u>56,734</u>	<u>38,509</u>	<u>43,985</u>	<u>332,343</u>
9. Housing Stock Numbers			2014 Units	2013 Units	
General Needs Housing			1,481	1,481	
Sheltered Housing			281	283	
Community Projects Block			6	6	
			<u>1,768</u>	<u>1,770</u>	
10. Gain on Disposals of Fixed Assets			2014 £	2013 £	
Gross proceeds from the disposal of fixed assets			52,500	100,000	
Less: Net book value of fixed assets			(25,519)	(30,377)	
Net gain on disposal of fixed assets			<u>26,981</u>	<u>69,623</u>	

Notes to the Financial Statements
For the year ended 31 March 2014

11. Debtors: Amounts falling due within one year	2014	2013
	£	£
Arrears of rent	192,653	220,018
Less: Provision for bad debts	(155,888)	(100,210)
	<u>36,765</u>	<u>119,808</u>
Sundry debtors and prepayments	468,051	242,401
	<u>504,816</u>	<u>362,209</u>
	<u><u>504,816</u></u>	<u><u>362,209</u></u>
12. Creditors: Amounts falling due within one year		
Prepaid rent	173,430	289,917
Trade creditors	254,317	306,477
Other taxation and social security costs	26,974	26,787
Sundry creditors and accruals	1,142,292	1,120,238
Loan instalments due within one year (see note 14)	232,905	221,980
	<u>1,829,918</u>	<u>1,965,399</u>
	<u><u>1,829,918</u></u>	<u><u>1,965,399</u></u>
13. Creditors: Amounts falling due after more than one year		
Housing Loans (see note 14)	13,528,893	11,761,798
	<u><u>13,528,893</u></u>	<u><u>11,761,798</u></u>
14. Loans		
Loans due within one year	232,905	221,980
Loans due between 1 and 2 years	245,883	235,403
Loans due between 2 and 5 years	2,829,882	790,359
Loans due after 5 years	10,453,128	10,736,036
	<u>13,761,798</u>	<u>11,983,778</u>
	<u><u>13,761,798</u></u>	<u><u>11,983,778</u></u>

The loans are secured by standard securities over the Association's properties. The amounts secured are £13,761,798 (2013 – £11,983,778), and are repayable at varying rates of interest in instalments over the next 30 years.

Notes to the Financial Statements
For the year ended 31 March 2014

15. Share Capital	2014	2013
	No	No
Allotted, called up and fully paid Ordinary shares of £1 each		
At 1 April 2013	253	310
Issued during year	18	9
Cancelled shares	(53)	(66)
	<hr/>	<hr/>
At 31 March 2014	218	253
	<hr/> <hr/>	<hr/> <hr/>
<p>The shares carry no rights to dividends, are irredeemable and do not entitle the holder to a distribution in the event of the Association being wound up.</p>		
16. Designated Reserves	2014	2013
	£	£
(a) Share capital reserve		
At 1 April 2013	382	382
Written off in year	(382)	-
	<hr/>	<hr/>
At 31 March 2014	-	382
	<hr/> <hr/>	<hr/> <hr/>
(b) Maintenance reserve		
At 1 April 2013	3,870,903	3,870,903
Transfer from/(to) revenue reserves	-	-
	<hr/>	<hr/>
At 31 March 2014	3,870,903	3,870,903
	<hr/> <hr/>	<hr/> <hr/>
Total designated reserves	3,870,903	3,871,285
	<hr/> <hr/>	<hr/> <hr/>
17. Reconciliation of Movement in Accumulated Surplus	2014	2013
	£	£
Revenue reserves as at 1 April 2013	8,209,724	7,317,563
(Deficit)/surplus for the year	(1,079,114)	771,225
Pension scheme (losses)/gains in year	(255,327)	120,936
	<hr/>	<hr/>
Revenue reserves as at 31 March 2014	6,875,283	8,209,724
	<hr/> <hr/>	<hr/> <hr/>
Split as:		
Revenue reserve	8,734,851	9,736,453
Pension reserve	(1,859,568)	(1,526,729)
	<hr/>	<hr/>
	6,875,283	8,209,724
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements
For the year ended 31 March 2014

18. Staff Costs	2014 £	2013 £
Wages and salaries	1,168,100	995,301
Social security costs	91,767	78,042
Pension costs	164,206	128,531
	<u>1,424,073</u>	<u>1,201,874</u>
	No	No
The full time equivalent number of persons employed during the year was:	<u>43</u>	<u>41</u>
Split as:		
Admin	3	3
Finance	5	5
Housing	14	11
Technical	11	10
Sheltered	8	7
Supply	2	5
	<u>43</u>	<u>41</u>

Temporary staff costs of £nil (2013: £81,245) have been incurred in the year.

19. Officers' Emoluments

a) In accordance with the Determination of Accounting Requirements 2012 issued by the Scottish Housing Regulator, details of officers' total emoluments which exceed £60,000 (excluding pension contributions) are as follows:

	2014 £	2013 £
Officers' emoluments in excess of £60,000 (excluding pension contributions)	<u>74,239</u>	<u>72,287</u>
Emoluments payable to the Chief Executive (excluding pension contributions)	<u>74,239</u>	<u>72,287</u>

Pension contributions paid in respect of officers whose emoluments exceeded £60,000 during the period amounted to £12,628 (2013 - £12,296).

The officers with emoluments in excess of £60,000 (excluding pension contributions) were within the following ranges:

	2014	2013
£70,000 - £75,000	<u>1</u>	<u>1</u>

b) No members of the Management Committee received any remuneration during the year. Expenses reimbursed to committee members during the year amounted to £774 (2013 - £1,112).

Two members of the Management Committee are employed by Dundee City Council (2013: one). All transactions are performed at arm's length.

Notes to the Financial Statements
For the year ended 31 March 2014

20. Taxation

The Association has charitable status for taxation purposes and is not liable to corporation tax for the year.

21. Reconciliation of Operating (deficit)/surplus to Net Cash Flow from Operating Activities

	2014 £	2013 £
Operating (deficit)/surplus	(383,870)	1,397,631
Depreciation charge	1,572,930	1,402,228
Pension service costs	77,512	62,055
(Increase)/decrease in debtors	(142,607)	184,341
(Decrease)/increase in creditors	(146,406)	226,009
Other non-cash adjustments	(382)	-
	<u>977,177</u>	<u>3,272,264</u>
Net cash inflow from operating activities	<u>977,177</u>	<u>3,272,264</u>

22. Analysis of the Management of Liquid Resources

	As at 1 April 2013 £	Movement in year £	As at 31 March 2014 £
Bank and cash balances	1,552,398	(1,650,705)	(98,307)
Funds held on deposit	2,207,997	599,769	2,807,766
	<u>3,760,395</u>	<u>(1,050,936)</u>	<u>2,709,459</u>

23. Reconciliation of Net Cash Flow to Movement in Net Debt

	2014 £	2013 £
(Decrease)/Increase in cash in the period	(1,050,936)	665,112
Loans movement	(1,778,020)	201,301
	<u>(2,828,956)</u>	<u>866,413</u>
Change in net debt	(2,828,956)	866,413
Net debt at 1 April 2013	(8,223,383)	(9,089,796)
	<u>(11,052,339)</u>	<u>(8,223,383)</u>
Net debt at 31 March 2014	<u>(11,052,339)</u>	<u>(8,223,383)</u>

24. Analysis of Changes in Net Debt

	As at 1 April 2013 £	Cash Flows £	Other Movements £	As at 31 March 2014 £
Cash at bank and in hand	3,760,395	(1,050,936)	-	2,709,459
Debt due within 1 year	(221,980)	-	(10,925)	(232,905)
Debt due after 1 year	(11,761,798)	-	(1,767,095)	(13,528,893)
	<u>(8,223,383)</u>	<u>(1,050,936)</u>	<u>(1,778,020)</u>	<u>(11,052,339)</u>

Notes to the Financial Statements
For the year ended 31 March 2014

25. Pensions

The pension cost figures used in these accounts comply with Financial Reporting Standard 17 (FRS 17).

The Association is an admitted body to the Tayside Superannuation Fund, a fund administered by Dundee City Council. The fund is a funded defined benefit pension scheme providing benefits based on final pensionable salary. Contributions to the fund are determined by the scheme's actuary using the projected unit method and are charged to the income and expenditure account as they are incurred. The pension costs for the period were £164,206 (2013 - £128,531).

Barnett Waddingham, a qualified independent actuary, has prepared a report, specific to FRS 17, based on the projected unit basis. The major assumptions used were:

	2014	2013
RPI increases	3.6%	3.3%
CPI increases	2.8%	2.5%
Salary increases	5.0%	4.7%
Pension increases	2.8%	2.5%
Discount rate	4.5%	4.3%

The post retirement mortality tables adopted were S1PA tables with a 120% multiplier, making allowance for future improvement factors in line with the CMI 2011 projections, with a long term rate of 1% per annum.

The following details relate to Abertay Housing Association and show the fair value of the assets, analysed over the main asset classes, together with the expected returns for each asset class.

	Long term rate of return 31 March 2014	Value at 31 March 2014 £000	Long term rate of return 31 March 2013	Value at 31 March 2013 £000
Equities	76%	3,936	71%	3,318
Gilts	9%	466	7%	327
Bonds	4%	207	11%	514
Property	9%	466	9%	421
Cash	2%	104	2%	93
Total		<u>5,179</u>		<u>4,673</u>

The table below compares the present value of the scheme liabilities, based on the Actuary's assumptions, with the estimated employer assets.

Net pension liability	2014 £	2013 £
Estimated employer assets (A)	5,179,422	4,672,838
Present value of Scheme Liabilities (B)	(7,038,990)	(6,199,567)
Net funded liability (A) – (B)	(1,859,568)	(1,526,729)
Present value of Unfunded Liabilities	-	-
Unrecognised past service cost	-	-
Net liability in balance sheet	<u>(1,859,568)</u>	<u>(1,526,729)</u>

Notes to the Financial Statements
For the year ended 31 March 2014

25. Pensions (cont'd)

Analysis of the amount charged to operating profit

	2014 £	2013 £
Service cost	252,859	178,454
Contributions by scheme participants	(163,491)	(125,472)
Total operating charge (A)	<u>89,368</u>	<u>52,982</u>
Expected Return on Employer Assets	(278,255)	(244,335)
Interest on Pension Scheme Liabilities	266,399	253,408
Net Return (B)	<u>(11,856)</u>	<u>9,073</u>
Net Revenue Account Cost (A)+(B)	<u>77,512</u>	<u>62,055</u>

Analysis of amount recognised in statement of total recognised gains and losses (STRGL)

	Year to 31 March 2014 £	Year to 31 March 2013 £
Actual return less expected return on pension scheme assets	73,421	427,205
Changes in financial assumptions underlying the present value of scheme liabilities	<u>(328,748)</u>	<u>(306,269)</u>
Actuarial (loss)/gain recognised in STRGL	<u>(255,327)</u>	<u>120,936</u>

Notes to the Financial Statements
For the year ended 31 March 2014

25. Pensions (cont'd)

Movement in pension deficit during the year

	Year to 31 March 2014 £	Year to 31 March 2013 £
(Deficit) in scheme at beginning of year	(1,526,729)	(1,585,610)
Current service cost	(252,859)	(178,454)
Employer contributions	163,491	125,472
Net return on assets	11,856	(9,073)
Actuarial (losses)/gains	(255,327)	120,936
	<u>(1,859,568)</u>	<u>(1,526,729)</u>

History of experience gains and losses

	Year to 31 March 2014 £	Year to 31 March 2013 £
Difference between expected and actual return on assets	73,421	427,205
Value of assets	5,179,422	4,672,838
Percentage of assets	1.4%	9.1%
Actuarial gains/(losses) recognised in STRGL	(255,327)	120,936
Present Value of Liabilities	7,038,990	6,199,567
Percentage of the present value of liabilities	0.0%	0.0%

The expected employer contributions to 31 March 2015 are £160,481

The cumulative amount of actuarial losses taken to the Statement of Recognised Surpluses and Deficits since the liability was incorporated into the financial statements was £1.4m.

26. Capital Commitments

	2014 £	2013 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	<u>1,796,899</u>	<u>3,900,885</u>
This is to be funded by:		
HAG	-	-
Private Finance	<u>1,796,899</u>	<u>3,900,885</u>
	<u>1,796,899</u>	<u>3,900,885</u>
Capital expenditure that has been approved but not Contracted for	<u>2,182,818</u>	<u>2,670,126</u>

27. Legislative Provisions

The Association is incorporated under The Co-operative & Community Benefit Societies and Credit Union Act 2014.