



**ABERTAY HOUSING ASSOCIATION LIMITED**

**Report and Financial Statements**

**For the year ended 31 March 2015**

**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 2015**

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# ABERTAY HOUSING ASSOCIATION LIMITED

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## Members, Executives and Advisers

### Committee of Management

Dorothy Taylor	Chairperson
Kathleen Mands	Vice Chairperson
Darren Keddie	
Ian Mathers	
Drew McKelvie	
Ron Neave	
Claire Ramsay	
Helen Reeves	
Beverley Searle	Resigned 28 January 2015
Meryle Taylor	Resigned 24 April 2015
Barbara Warden	
Billy Webster	
Fred Whitnall	
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  
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 2015**

The Management Committee present their report and the audited financial statements for the year ended 31 March 2015.

**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 Management Committee, in consultation with tenants, applied a rent increase of 3.2% taking effect from 1 April 2014 (2013: 4.0%). We strive to ensure that our rents remain competitive and affordable for our tenants.

The Association owned 1,764 properties at the end of the year. Of these 280 are used to provide sheltered housing. During the year 4 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, no new developments are currently planned for 2015/16. The Association currently has one site in Dundee City Council's latest Strategic Housing Investment Plan (SHIP) for 2016/17. However, it is classed as a Medium Priority project which means that other projects would have to slip, or extra HAG funding become available for it to go ahead in that year.

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 £2.4million. This included completion of the refurbishment of our multi-storey blocks at Dryburgh Gardens which was started in 2013/14. Throughout our stock, externally, we carried out re-roofing, chimney repair or removal, replacement of windows and doors, footpath repairs and our maintenance paint work programme. Within the flats, we replaced bathrooms, kitchens, installed new central heating systems and internal wall insulation. We also investigated potential solutions to deal with the steel structure in our houses at Craiggiebank. These solutions will be implemented in pilot houses for monitoring over the next winter, before they are rolled out to the rest of the homes. Much of this work was carried out to meet or exceed the requirements of the Scottish Housing Quality Standard, and we are happy that all our properties now meet this challenging target. 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.

There were no changes to the Association's loan portfolio during the year. The regular payments on the existing loans reduced the total bank borrowings from £13.76 million to £13.53 million at the year end.

The Association's bank balances increased over the year, from £2.7 million to £3.0 million.

**Report of the Management Committee  
For the year ended 31 March 2015****Management Committee and Executive Officers**

The Management Committee and executive officers of the Association are listed on page 1. Each elected member of the Management Committee holds one fully paid share of £1 in the Association. The executive officers of the Association hold no interest in 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 Management Committee 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 Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the 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 2015****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 2015. 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 2015**

**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: 26 August 2015**

**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 2015 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 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/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**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 2015 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 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 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: 26 August 2015

**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 statements on page 4 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

**Basis of Opinion**

We carried out our review having regard to the requirements on corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. 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 reason given for non-compliance.

**Opinion**

In our opinion the Statement on Internal Financial Control on page 4 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through our enquiry of certain members of the Management Committee and officers of the Association and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



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

Dated: 26 August 2015

**Income and Expenditure Account**  
**For the year ended 31 March 2015**

	Notes	2015 £	2014 £
<b>Turnover</b>	2	8,133,015	7,823,071
Less: Operating costs	2	(7,192,597)	(8,206,941)
<b>Operating surplus/(deficit)</b>	2	940,418	(383,870)
Gain on sale of fixed assets	10	68,162	26,981
Interest receivable		13,021	20,752
Interest payable	6	(765,771)	(742,977)
<b>Surplus/(deficit) on ordinary activities before taxation</b>		255,830	(1,079,114)
Tax on surplus on ordinary activities	20	-	-
<b>Retained surplus/(deficit) for the year transferred to reserves</b>	17	255,830	(1,079,114)

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

**Statement of Recognised Surpluses and Deficits**  
**For the year ended 31 March 2015**

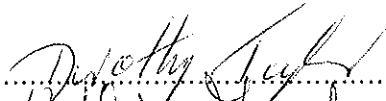
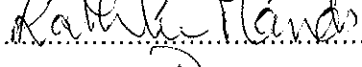
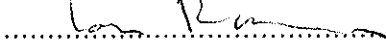
	Notes	2015 £	2014 £
Surplus/(deficit) for the year		255,830	(1,079,114)
Actual return less expected return on pension scheme assets	25	398,846	73,421
Experience gains and losses	25	646,602	-
Effect of changes in the actuarial assumptions	25	(608,795)	(328,748)
<b>Total surplus/(deficit) recognised since the last annual report</b>		692,483	(1,334,441)

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

**Balance Sheet**  
As at 31 March 2015

	Notes	2015 £	2014 £
<b>Tangible fixed assets</b>			
Housing properties	7	34,843,961	35,487,462
Less: HAG and other grants	7	(10,870,309)	(11,069,297)
		<u>23,973,652</u>	<u>24,418,165</u>
Other fixed assets	8	301,198	332,343
		<u>24,274,850</u>	<u>24,750,508</u>
<b>Current assets</b>			
Debtors	11	578,264	504,816
Cash at bank	22	2,999,014	2,709,459
		<u>3,577,278</u>	<u>3,214,275</u>
<b>Current Liabilities</b>			
<b>Creditors:</b> amounts falling due within one year	12	(1,632,573)	(1,829,918)
<b>Net current assets</b>			
		<u>1,944,705</u>	<u>1,384,357</u>
<b>Total assets less current liabilities</b>			
		26,219,555	26,134,865
<b>Creditors:</b> amounts falling due after more than one year			
	13	(13,278,058)	(13,528,893)
Pension liability	25	(1,502,612)	(1,859,568)
		<u>11,438,885</u>	<u>10,746,404</u>
<b>Capital and reserves</b>			
Share capital	15	216	218
Designated reserves	16	3,870,903	3,870,903
Revenue reserve	17	9,070,378	8,734,851
Pension reserve	17	(1,502,612)	(1,859,568)
		<u>11,438,885</u>	<u>10,746,404</u>

The financial statements on pages 9 to 25 were authorised for issue by the Management Committee on 26 August 2015 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 2015**

	Notes	2015		2014	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	21		2,306,945		977,177
<b>Returns on investments and servicing of finance</b>					
Interest received		13,021		20,752	
Interest paid		(765,771)		(742,977)	
<b>Net cash (outflow) from returns on investments and servicing of finance</b>			(752,750)		(722,225)
<b>Capital Expenditure and financial investment</b>					
Property component additions		(1,118,350)		(3,106,787)	
Purchase of other fixed assets		(39,420)		(27,403)	
Sales of properties, net proceeds		128,535		50,317	
<b>Net cash (outflow) from capital expenditure</b>			(1,029,235)		(3,083,873)
<b>Net cash inflow/(outflow) before use of liquid resources and financing</b>			524,960		(2,828,921)
<b>Financing</b>					
Loan advances received		-		2,000,000	
Loan repayment		(235,403)		(221,980)	
Issue of share capital		8		18	
Cancelled shares		(10)		(53)	
<b>Net cash (outflow)/inflow from financing</b>			(235,405)		1,777,985
<b>Increase/(decrease) in cash</b>	22		289,555		(1,050,936)

**Notes to the Financial Statements**  
**For the year ended 31 March 2015**

The Association is registered under The Co-operative & Community Benefit Societies Act 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 2015**

**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 2015

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

	Notes	2015		Turnover	2014		Operating Surplus/ (Deficit) £
		Turnover £	Operating Costs £		Operating Costs £	Operating Surplus/ (Deficit) £	
Income and expenditure from lettings	3	7,068,148	6,782,953	6,822,444	7,522,486	(700,042)	
Other income and expenditure	4	1,064,867	409,644	1,000,627	684,455	316,172	
		<u>8,133,015</u>	<u>7,192,597</u>	<u>7,823,071</u>	<u>8,206,941</u>	<u>(383,870)</u>	



Notes to the Financial Statements  
For the year ended 31 March 2015

3. Particulars of Income and Expenditure from Lettings

	General Needs Housing £	Sheltered Housing £	2015 £	2014 £
<b>Income from lettings</b>				
Rent receivable net of identifiable service charges	5,800,697	972,853	6,773,550	6,577,793
Identifiable service charges receivable	-	332,737	332,737	321,245
<b>Gross rents receivable</b>	<u>5,800,697</u>	<u>1,305,590</u>	<u>7,106,287</u>	<u>6,899,038</u>
<b>Less: rent losses from voids</b>	<u>(40,894)</u>	<u>(15,090)</u>	<u>(55,984)</u>	<u>(86,850)</u>
<b>Total net income from lettings</b>	<u>5,759,803</u>	<u>1,290,500</u>	<u>7,050,303</u>	<u>6,812,188</u>
Grants from the Scottish Ministers	-	-	-	-
Other revenue grants	17,845	-	17,845	10,256
<b>Total turnover from social letting activities</b>	<u>5,777,648</u>	<u>1,290,500</u>	<u>7,068,148</u>	<u>6,822,444</u>
<b>Expenditure on letting activities</b>				
Management and maintenance administration costs	1,692,899	98,784	1,791,683	1,774,490
Service costs	108,586	184,258	292,844	321,296
Planned and cyclical maintenance including major repairs	1,525,357	197,439	1,722,796	2,298,621
Reactive maintenance	1,232,631	185,717	1,418,348	1,483,443
Rent losses from bad debts	48,272	6,520	54,792	135,230
Depreciation of social housing	1,502,490	-	1,502,490	1,509,406
Impairment of social housing	-	-	-	-
<b>Operating costs for social letting activities</b>	<u>6,110,235</u>	<u>672,718</u>	<u>6,782,953</u>	<u>7,522,486</u>
<b>Operating Surplus/(Deficit) for social lettings, 2015</b>	<u>(332,587)</u>	<u>617,782</u>	<u>285,195</u>	<u>(700,042)</u>
<b>Operating Surplus/(Deficit) for social lettings, 2014</b>	<u>(1,118,120)</u>	<u>418,078</u>	<u>(700,042)</u>	

Notes to the Financial Statements  
For the year ended 31 March 2015

4. Particulars of other income and Expenditure

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total turnover	Operating costs – bad debts	Other operating costs	Operating surplus
	£	£	£	£	2015 £	2014 £	2015 £	2014 £
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of house	-	-	-	-	-	-	-	-
Care and repair of property	93,016	477,218	-	48,273	618,507	-	85,621	175,063
Factoring	-	-	-	197,816	197,816	20,841	133,666	58,378
Development and construction of property activities	-	-	-	-	-	-	-	-
Support activities	-	-	117,335	131,209	248,544	-	169,516	82,731
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	-	-	-	-	-	-	-	-
<b>Total from other activities, 2015</b>	<b>93,016</b>	<b>477,218</b>	<b>117,335</b>	<b>377,298</b>	<b>1,064,867</b>	<b>20,841</b>	<b>388,803</b>	<b>655,223</b>
<b>Total from other activities, 2014</b>	<b>137,802</b>	<b>309,050</b>	<b>120,964</b>	<b>432,811</b>	<b>1,000,627</b>	<b>5,461</b>	<b>678,994</b>	<b>316,172</b>

Notes to the Financial Statements  
For the year ended 31 March 2015

<b>5. Operating Surplus/(Deficit)</b>		<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
Operating surplus/(deficit):			
Depreciation		1,573,055	1,572,927
Property maintenance		3,231,388	3,782,064
Auditor's Remuneration			
- Audit services		9,930	7,955
- Non-audit services		-	-
		<u>          </u>	<u>          </u>
<b>6. Interest Payable</b>		<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
Interest payable in the year has been charged as follows:			
Income and expenditure account		765,771	742,977
		<u>          </u>	<u>          </u>
<b>7. Tangible Fixed Assets:</b>			
<b>Housing Properties</b>		<b>Housing stock held for letting</b>	<b>Housing stock under development</b>
	<b>£</b>	<b>£</b>	<b>Total £</b>
<b>Cost</b>			
As at 1 April 2014	46,657,820	157,391	46,815,211
Additions	1,118,350	-	1,118,350
Disposals	(510,516)	-	(510,516)
Transfers	157,391	(157,391)	-
	<u>          </u>	<u>          </u>	<u>          </u>
As at 31 March 2015	47,423,045	-	47,423,045
<b>Grants</b>			
As at 1 April 2014	(12,481,331)	-	(12,481,331)
Disposals	6,587	-	6,587
	<u>          </u>	<u>          </u>	<u>          </u>
As at 31 March 2015	(12,474,744)	-	(12,474,744)
<b>Depreciation</b>			
As at 1 April 2014	(11,327,749)	-	(11,327,749)
Charge for period	(1,522,558)	-	(1,522,558)
On disposals	271,223	-	271,223
	<u>          </u>	<u>          </u>	<u>          </u>
As at 31 March 2015	(12,579,084)	-	(12,579,084)
<b>Grant Amortisation</b>			
As at 1 April 2014	1,412,034	-	1,412,034
Charge for period	196,378	-	196,378
On disposals	(3,977)	-	(3,977)
	<u>          </u>	<u>          </u>	<u>          </u>
As at 31 March 2015	1,604,435	-	1,604,435
<b>Net Book Value</b>			
As at 31 March 2014	<u>24,260,774</u>	<u>157,391</u>	<u>24,418,165</u>
<b>Net Book Value</b>			
As at 31 March 2015	<u>23,973,652</u>	<u>-</u>	<u>23,973,652</u>

The additions in the year relate to the cost of components capitalised. Components with a cost of £422,731 have been disposed of in the year (2014: £630,777)

Properties with a cost of £87,785 have been disposed of in the year (2014: £40,479). Proceeds of £132,900 were received in respect of these sales (2014: £52,500).

Notes to the Financial Statements  
For the year ended 31 March 2015

8. Tangible Fixed Assets: Other Fixed Assets	Office Property £	Machinery & Equipment £	Computer Equipment £	Furniture & Fittings £	Total £
<b>Cost</b>					
As at 1 April 2014	380,133	206,990	138,736	173,267	899,126
Additions	-	-	39,420	-	39,420
Disposals	-	-	(8,225)	-	(8,225)
As at 31 March 2015	<u>380,133</u>	<u>206,990</u>	<u>169,931</u>	<u>173,267</u>	<u>930,321</u>
<b>Grants</b>					
As at 1 April 2014	-	-	-	(53,272)	(53,272)
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 March 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,272)</u>	<u>(53,272)</u>
<b>Depreciation</b>					
As at 1 April 2014	(187,018)	(150,256)	(100,227)	(76,010)	(513,511)
Charge for period	(15,205)	(13,806)	(26,824)	(14,730)	(70,565)
On disposals	-	-	8,225	-	8,225
As at 31 March 2015	<u>(202,223)</u>	<u>(164,062)</u>	<u>(118,826)</u>	<u>(90,740)</u>	<u>(575,851)</u>
<b>Net Book Value</b>					
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>
<b>Net Book Value</b>					
As at 31 March 2015	<u>177,910</u>	<u>42,928</u>	<u>51,105</u>	<u>29,255</u>	<u>301,198</u>
<b>9. Housing Stock Numbers</b>			<b>2015</b>	<b>2014</b>	
			<b>Units</b>	<b>Units</b>	
General Needs Housing			1,478	1,481	
Sheltered Housing			280	281	
Community Projects Block			6	6	
			<u>1,764</u>	<u>1,768</u>	
<b>10. Gain on Disposals of Fixed Assets</b>			<b>2015</b>	<b>2014</b>	
			<b>£</b>	<b>£</b>	
Gross proceeds from the disposal of fixed assets			132,900	52,500	
Less: Net book value of fixed assets			(64,738)	(25,519)	
Net gain on disposal of fixed assets			<u>68,162</u>	<u>26,981</u>	

Notes to the Financial Statements  
For the year ended 31 March 2015

<b>11. Debtors: Amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	£	£
Arrears of rent	248,758	192,653
Less: Provision for bad debts	(144,740)	(155,888)
	<u>104,018</u>	<u>36,765</u>
Sundry debtors and prepayments	474,246	468,051
	<u>578,264</u>	<u>504,816</u>
<b>12. Creditors: Amounts falling due within one year</b>		
Prepaid rent	220,067	173,430
Trade creditors	224,202	254,317
Other taxation and social security costs	25,510	26,974
Sundry creditors and accruals	914,457	1,142,292
Loan instalments due within one year (see note 14)	248,337	232,905
	<u>1,632,573</u>	<u>1,829,918</u>
<b>13. Creditors: Amounts falling due after more than one year</b>		
Housing Loans (see note 14)	<u>13,278,058</u>	<u>13,528,893</u>
<b>14. Loans</b>		
Loans due within one year	248,337	232,905
Loans due between 1 and 2 years	262,001	245,883
Loans due between 2 and 5 years	2,893,109	2,829,882
Loans due after 5 years	10,122,948	10,453,128
	<u>13,526,395</u>	<u>13,761,798</u>

The loans are secured by standard securities over the Association's properties. The amounts secured are £13,526,395 (2014: £13,761,798), 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 2015**

<b>15. Share Capital</b>	<b>2015</b>	<b>2014</b>
	<b>No</b>	<b>No</b>
Allotted, called up and fully paid Ordinary shares of £1 each		
At 1 April 2014	218	253
Issued during year	8	18
Cancelled shares	(10)	(53)
	<hr/>	<hr/>
At 31 March 2015	216	218
	<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>		
<b>16. Designated Reserves</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>(a) Share capital reserve</b>		
At 1 April 2014	-	382
Written off in year	-	(382)
	<hr/>	<hr/>
At 31 March 2015	-	-
	<hr/>	<hr/>
<b>(b) Maintenance reserve</b>		
At 1 April 2014	3,870,903	3,870,903
Transfer from/(to) revenue reserves	-	-
	<hr/>	<hr/>
At 31 March 2015	3,870,903	3,870,903
	<hr/>	<hr/>
Total designated reserves	3,870,903	3,870,903
	<hr/> <hr/>	<hr/> <hr/>
<b>17. Reconciliation of Movement in Accumulated Surplus</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Revenue reserves as at 1 April 2014	6,875,283	8,209,724
Surplus/(deficit) for the year	255,830	(1,079,114)
Pension scheme gains/(losses) in year	436,653	(255,327)
	<hr/>	<hr/>
Revenue reserves as at 31 March 2015	7,567,766	6,875,283
	<hr/> <hr/>	<hr/> <hr/>
Split as:		
Revenue reserve	9,070,378	8,734,851
Pension reserve	(1,502,612)	(1,859,568)
	<hr/>	<hr/>
	7,567,766	6,875,283
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements  
For the year ended 31 March 2015

18. Staff Costs	2015 £	2014 £
Wages and salaries	1,146,378	1,168,100
Social security costs	86,049	91,767
Pension costs	164,509	164,206
	<u>1,396,936</u>	<u>1,424,073</u>
	<u>No</u>	<u>No</u>
The full time equivalent number of persons employed during the year was:	<u>40</u>	<u>43</u>
Split as:		
Admin	3	3
Finance	5	5
Housing	13	14
Technical	11	11
Sheltered	8	8
Supply	-	2
	<u>40</u>	<u>43</u>

Temporary staff costs of £16,145 (2014: £nil) 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:

	2015 £	2014 £
Officers' emoluments in excess of £60,000 (excluding pension contributions)	<u>74,981</u>	<u>74,239</u>
Emoluments payable to the Chief Executive (excluding pension contributions)	<u>74,981</u>	<u>74,239</u>

Pension contributions paid in respect of officers whose emoluments exceeded £60,000 during the period amounted to £12,754 (2014: £12,628).

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

	2015	2014
£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 £272 (2014: £774). Two members of the Management Committee are employed by Dundee City Council (2014: two). All transactions are performed at arm's length.

Notes to the Financial Statements  
For the year ended 31 March 2015

20. Taxation

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

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

	2015 £	2014 £
Operating surplus/(deficit)	940,418	(383,870)
Depreciation charge	1,573,055	1,572,930
Pension service costs	79,697	77,512
(Increase) in debtors	(73,448)	(142,607)
(Decrease) in creditors	(212,777)	(146,406)
Other non-cash adjustments	-	(382)
	<u>2,306,945</u>	<u>977,177</u>
Net cash inflow from operating activities	<u>2,306,945</u>	<u>977,177</u>

22. Analysis of the Management of Liquid Resources

	As at 1 April 2014 £	Movement in year £	As at 31 March 2015 £
Bank and cash balances	(98,307)	1,340,634	1,242,327
Funds held on deposit	2,807,766	(1,051,079)	1,756,687
	<u>2,709,459</u>	<u>289,555</u>	<u>2,999,014</u>

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

	2015 £	2014 £
Increase/(decrease) in cash in the period	289,555	(1,050,936)
Loans movement	235,403	(1,778,020)
	<u>524,958</u>	<u>(2,828,956)</u>
Change in net debt	524,958	(2,828,956)
Net debt at 1 April 2014	(11,052,339)	(8,223,383)
	<u>(10,527,381)</u>	<u>(11,052,339)</u>
Net debt at 31 March 2015	<u>(10,527,381)</u>	<u>(11,052,339)</u>

24. Analysis of Changes in Net Debt

	As at 1 April 2014 £	Cash Flows £	Other Movements £	As at 31 March 2015 £
Cash at bank and in hand	2,709,459	289,555	-	2,999,014
Debt due within 1 year	(232,905)	-	(15,432)	(248,337)
Debt due after 1 year	(13,528,893)	-	250,835	(13,278,058)
	<u>(11,052,339)</u>	<u>289,555</u>	<u>235,403</u>	<u>(10,527,381)</u>



Notes to the Financial Statements  
For the year ended 31 March 2015

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 £164,509 (2014: £164,206).

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:

	2015	2014
RPI increases	3.2%	3.6%
CPI increases	2.4%	2.8%
Salary increases	4.2%	5.0%
Pension increases	2.4%	2.8%
Discount rate	3.3%	4.5%

The post retirement mortality tables adopted were S2PA tables with a 120% multiplier, making allowance for future improvement factors in line with the CMI 2013 projections, with a long term rate of 1.5% 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 2015	Value at 31 March 2015 £000	Long term rate of return 31 March 2014	Value at 31 March 2014 £000
Equities	71%	4,627	76%	3,936
Gilts	5%	358	9%	466
Bonds	13%	826	4%	207
Property	10%	651	9%	466
Cash	1%	72	2%	104
<b>Total</b>		<u>6,534</u>		<u>5,179</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	2015 £	2014 £
Estimated employer assets (A)	6,533,601	5,179,422
Present value of Scheme Liabilities (B)	(8,036,213)	(7,038,990)
Net funded liability (A) – (B)	(1,502,612)	(1,859,568)
Present value of Unfunded Liabilities	-	-
Unrecognised past service cost	-	-
Net liability in balance sheet	<u>(1,502,612)</u>	<u>(1,859,568)</u>

Notes to the Financial Statements  
For the year ended 31 March 2015

25. Pensions (cont'd)

Analysis of the amount charged to operating profit

	2015 £	2014 £
Service cost	259,455	252,859
Contributions by scheme participants	(164,178)	(163,491)
Total operating charge (A)	<u>95,277</u>	<u>89,368</u>
Expected Return on Employer Assets	(334,661)	(278,255)
Interest on Pension Scheme Liabilities	319,081	266,399
Net Return (B)	<u>(15,580)</u>	<u>(11,856)</u>
Net Revenue Account Cost (A)+(B)	<u>79,697</u>	<u>77,512</u>

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

	Year to 31 March 2015 £	Year to 31 March 2014 £
Actual return less expected return on pension scheme assets	398,846	73,421
Experience gains and losses	646,602	-
Changes in financial assumptions underlying the present value of scheme liabilities	(608,795)	(328,748)
<b>Actuarial gain/(loss) recognised in STRGL</b>	<u>436,653</u>	<u>(255,327)</u>

Notes to the Financial Statements  
For the year ended 31 March 2015

25. Pensions (cont'd)

Movement in pension deficit during the year

	Year to 31 March 2015 £	Year to 31 March 2014 £
(Deficit) in scheme at beginning of year	(1,859,568)	(1,526,729)
Current service cost	(259,455)	(252,859)
Employer contributions	164,178	163,491
Net return on assets	15,580	11,856
Actuarial gains/(losses)	436,653	(255,327)
	<u>(1,502,612)</u>	<u>(1,859,568)</u>

History of experience gains and losses

	Year to 31 March 2015 £	Year to 31 March 2014 £
Difference between expected and actual return on assets	1,010,219	73,421
Value of assets	6,533,601	5,179,422
Percentage of assets	15.5%	1.4%
Actuarial gains/(losses) recognised in STRGL	436,653	(255,327)
Present Value of Liabilities	8,036,213	7,038,990
Percentage of the present value of liabilities	0.4%	0.0%

The expected employer contributions to 31 March 2016 are £153,556

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 £931,000.

26. Capital Commitments

	2015 £	2014 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	<u>2,554,472</u>	<u>1,796,899</u>
This is to be funded by:		
HAG	-	-
Private Finance	<u>2,554,472</u>	<u>1,796,899</u>
	<u>2,554,472</u>	<u>1,796,899</u>
Capital expenditure that has been approved but not Contracted for	<u>2,282,595</u>	<u>2,182,818</u>

27. Legislative Provisions

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