
Blackwood Homes and Care

Trading as
Blackwood

Report and Accounts
31st March 2017

Blackwood Homes and Care – Trading as Blackwood

Report and Financial Statements For the year ended 31 March 2017

Contents

	Page
The Board, Executives and Advisers	2
Report of the Board	3
Statement of the Board's Responsibilities	8
The Board's Statement of Internal Financial Control	9
External Auditor's Report on Corporate Governance Matters	10
Independent Auditor's Report	11
Statement of Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Reserves	14
Statement of Cashflows	15
Notes to the Financial Statements	16

Registration Particulars:

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered Number SP1728RS
Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered Number HEP158
Charity Number	SC007658

Blackwood Homes and Care – Trading as Blackwood

The Board, Executives and Advisers For the year ended 31 March 2017

The Board

The following were Board members up to the date of signing of the accounts:

Mr Ian Gerono	
Mrs Lesley Beddie, BSc., CEng	
Mrs Marian Jacobs, BA (Econ), Dip TP	
Ms Eileen McDade BSc (Hons),CQSW	
Mrs Linda Holden	
Mr Max Brown	
Mr Derek Croll BCom (Hons) CA	
Mr Ian Hartley	
Mr Abrar Hameed	
Mrs Anne Walker	
Mr Nick Tordoff	Appointed 20 September 2016
Mr Tom Cotter	Appointed 20 September 2016
Mr Alex McGuire	Joined as co-optee – 20 September 2016
Mr Simon Belfer	Joined as co-optee – 20 September 2016

Key Management Personnel

Ms Fanchea Kelly – Chief Executive
Ms Angela Currie – Housing and Care Director
Simon Fitzpatrick – Strategic Development Director

Registered Office

160 Dundee Street
Edinburgh
EH11 1DQ

Auditor

RSM UK Audit LLP
Third Floor, Centenary House
69 Wellington Street
Glasgow G2 6HG

Bankers

Clydesdale Bank PLC
50 Lothian Road
Edinburgh EH3 9BY

Lloyds TSB Scotland PLC
Corporate Banking
Henry Duncan House
120 George Street
Edinburgh EH2 4LH

Triodos Bank NV
Deanery Road
Bristol
BS1 5AS

Solicitors

Harper Macleod LLP
The Cad'oro
45 Gordon Street
Glasgow G1 3PE

TC Young
7 West George Street
Glasgow G2 1BA

Blackwood Homes and Care – Trading as Blackwood

Report of the Board For the year ended 31 March 2017

The Board of Blackwood presents its report and audited financial statements for the year ended 31 March 2017.

Principal Activities

Blackwood Homes and Care is a charity, governed by its rules adopted in 2015, based on the Scottish Federation of Housing Association (SFHA) Model Rules. Blackwood's primary purpose is to provide high quality housing and care services for people who need them and to develop products and services for the benefit of people with disabilities.

Blackwood's Values and Strategy

Our vision is that **'Blackwood helps people live their life to the full. We provide high quality housing, care and support, designed around the person and their life choices.'**

Our values guide how we do business and they are;

- **Have respect and understanding**
- **Be open and honest**
- **Take responsibility**
- **Keep our promises**

Our Five-Year Strategy and Business Plan 2015-2020 has two key strands of;

- **Providing value and quality for customers**
- **Investing in innovation**

The Strategy was approved by the Board in March 2015 and is updated each year. It renews Blackwood's purpose and direction, building on the inspirational legacy of Margaret Blackwood, with a unique 'Offer' for customers and commissioners in the context of the integration of Health and Social Care and the growing demand for accessible homes. The Strategy aims to deliver growth through much greater use of technology, through building the highly accessible 'Blackwood House' and through growing our care services in key areas of Scotland. This report shows that our Strategy has progressed well in its first two years and remains ambitious in what we aim to achieve by 2020. A more fundamental review of the strategic direction will be undertaken in 2017/18 given the level of ambition and the context of a fast changing external environment.

The Strategy and Business Plan has four core sub-strategies which are:

- **Asset Management Strategy** – We aim to deliver Blackwood's long term plan to protect the value of our assets and ensure value for money for tenants. Tenant satisfaction with the standard of the home at 93% has increased significantly from 87% in 2013/14. The development of 'The Blackwood House' creates a new standard for highly accessible homes, with the first development in Glamis Road in Dundee recently delivered and plans in place to deliver a further 118 new homes in the next four years.
- **Care Strategy** – Our aim is to build a sustainable care service growing our 'Care at Home' services, primarily in 3 key local authority areas, and building on our person-centred and outcomes focussed model. During the year we achieved growth of around 900 hours per week by working closely with the Health & Social Care Partnerships in our key areas. We continued to deliver services within our Care Homes and we began to review that model of care. The development of our CleverCogs system meant that we tested and provided services for over 100 customers using this new platform. It also ensures customers and staff are fully digitally included, and aims to ensure business efficiency is achieved throughout the remaining period of the strategic plan as we mainstream CleverCogs.

Blackwood Homes and Care – Trading as Blackwood

Report of the Board (continued) For the year ended 31 March 2017

- **People Strategy** – During 2016/17 we implemented our new care staffing model to ensure that both our staffing establishment and structure are fit for purpose to support our growth plans. Importantly we fulfilled the Board's ambition to become a Scottish Living Wage employer. We also completed recruitment for a new Director of Finance. Our Learning and Development Plan expanded to support our growing workforce, with over 500 employees representing a 30% increase from 2013/14.
- **Housing Strategy** – Our housing service performance results show increased tenant satisfaction of 85% with our services and 78% with value for money. We aim to increase satisfaction further to 90% as set out in our new Housing Strategy for 2017-2020. A key aim is to develop our digital service offer to customers to improve the quality and access to our services across Scotland. We consulted extensively during the year as we developed the strategy, with an impressive 50% response from tenants. This has given us very good information in relation to rent setting, perceptions of value for money, and the tenants' priorities. These include continuing with our planned maintenance programme, our environmental improvements, and helping people to live independently. We plan to develop our neighbourhood approach further to increase our value as a local integrated housing and care provider.

The core sub- strategies are underpinned by the following supporting plans:

- Health & Safety Plan
- Business Solutions Plan
- Communications & Marketing Plan
- Board Assurance Framework
- Learning and Development Plan

Summary of Performance

Asset Management Strategy

We invested £2.2m through our planned maintenance programme in our properties this year. Our rolling programme of maintaining the Scottish Housing Quality Standard (SHQS) has resulted in 99.6% of our homes successfully meeting the SHQS at year end, and 93% meeting the Energy Efficiency Standard for Social Housing (ESSH). The results of these investments are clear, with 93% of our tenants saying they are satisfied with the quality of their home.

Adaptations carried out on properties to help people gain or keep their independence continue to be an important Blackwood service for our tenants. Grants of almost £0.5 million from Scottish Government, and Edinburgh and Glasgow City Councils, enabled us to complete 212 adaptations in an average of 95 days.

Our reactive repairs service also reported very positive results, with emergency repairs completed in an average of 3.5 hours and non-emergencies in 5.5 working days. 95% of repair appointments were kept and 85% of repairs were completed right first time - both improved from last year and key to overall tenant satisfaction.

Care Strategy

We increased the number of care hours we deliver during the year by 20% to over 5,200 hours per week, moving closer to our aim of having substantial local care services in each of our areas.

At the same time 98% of our customers said that our services are either 'Good' or 'Very Good'. In addition, all our care and support services were inspected by the Care Inspectorate during the year

Blackwood Homes and Care – Trading as Blackwood

Report of the Board (continued) For the year ended 31 March 2017

with eight services receiving either 'Good' or 'Very Good' results and one service being marked 'adequate'. Given the major changes to our staffing arrangements during the year, and the very challenging external environment for commissioning and delivery of care, this achievement is one that we are proud of.

Housing Strategy

Demand remains high for Blackwood homes, with 972 applicants on our waiting list and just 126 of our 1,491 lettable properties becoming empty during the year. These homes have been re-let in an average of 19 days resulting in only 0.38% of rent being lost due to empty properties.

We ended the year with 2.8% gross rent arrears, and an impressive 100.1% of rent due was successfully collected by our Housing Teams, reflecting their hard work to collect debts. Shelter Scotland continues to provide well-regarded independent and confidential financial advice to our tenants, alongside the support provided by our Housing Officers, to help people understand and navigate their way through the benefits system and continuing welfare reform changes.

87% of anti-social behaviour (ASB) and neighbour nuisance cases were resolved within Blackwood's target of 1 month.

Team Blackwood, made up from our independent tenant scrutiny panels, continues to be a very important part of our tenant engagement and continues to review our services and develop detailed improvement plans. During the year Team Blackwood reviewed our performance on a quarterly basis and has overseen the production of our annual Customer Report. Based on this ongoing scrutiny repairs is the next focus for Team Blackwood during 2017-18.

Principal Risks and Uncertainties

Blackwood's Board Assurance Framework consists of eight strategic risk themes, which are monitored throughout the year. This enables the Board to be assured that controls are in place to mitigate risks, realise opportunities, and keep visibility of any major uncertainties.

The themes are;

- Financial Sustainability
- Governance
- External Awareness
- People
- Growing our Business
- Innovation & Technology
- Commercial Partners
- Confidence & Trust

Key Performance Indicators (financial)

- Blackwood's income has increased in total by £1.146m from 2015/16. This increase in turnover is due to the application of a general rent increase of 3.0% and growth in Care at Home services.
- Operating costs have risen by £1.441m due to the cost relating to growth in care services, Scottish Living Wage, continuing investment in innovation, and an increase in property maintenance.
- This has resulted in a small increase in the operating surplus of £24,000 for 2016/17 against a deficit of £2,000 in 2015/16.

Blackwood Homes and Care – Trading as Blackwood

Report of the Board (continued) For the year ended 31 March 2017

- Net interest payable has increased from £0.732m to £0.752m reflecting the increased loans in place to support the continued investment in new properties.
- Total Comprehensive Income for the year increased to a surplus of £24,000.
- Cash balances increased by £1.032m to £3.89m during 2016/17 as loans were drawn down at the end of the financial year.

Key financial policies

The following policies were all in place during the year and supported the financial results.

- The Treasury Management policy enables Blackwood to control borrowing and investing risks. Blackwood completed a £5 million borrowing facility with Triodos Bank in 2015 and has drawn down £1.5 million from the facility during the year to 31 March 2017. The remaining balance of £0.5 million and a new £5m Revolving Credit Facility (RFC) with Triodos Bank will fund its planned investments for the next year.
- The Rent Policy was reviewed during the year and is in line with accepted Housing Association practice. A broader Housing Strategy was also approved by the Board to keep affordability and Value for Money for tenants under review, and to develop engagement with tenants on their key priorities.
- The Credit Payment Procedure ensured Blackwood complies with industry guidelines and maintains good relations with creditors.
- The Asset Management Strategy (AMS) aims to retain strong demand for Blackwood homes, as well as meeting all requirements such as SHQS, asbestos and legionella, and preparation for the Energy Efficiency Standards for Social Housing (EESHS). The new homes programme adds to the rent roll as well as securing further care income. The capitalisation of replacement components during the year is in line with accounting practice and complies with the current Housing Association Statement of Recognised Practice (SORP).
- The Reserves Policy sets targets which Blackwood met during the year. The cumulative revenue reserves stood at £15.8 million.
- The Financial Standing Orders were updated during the year.

Governance

The Board is elected according to the Rules and manages its business in line with its 'Good Governance Guide' which sets out appropriate Standing Orders and delegations. Board membership is drawn from a range of experience and skills, including customer experience and a mix of professional backgrounds.

During the year, the Board continued its annual Board appraisal system, supported by independent advice. It also implemented a succession plan to ensure the continuation of a stable and healthy organisation for the future with 4 new Board members joining during the year. These members brought a range of financial, ICT, development and management skills to add to the existing skills of the Board. Two externally facilitated Strategy Days, in addition to Board meetings, ensured that all members contributed to driving the Strategy and Business Plan forward.

Prior Period Adjustment

The principle of FRS102 and the RSL SORP is to account for government grants received for housing properties under the accruals model. This means that the grants are recognised in income over the useful economic life of the structure and the individual components of the asset.

On transition to FRS102 for the 31st March 2016 financial statements, an average useful life for structure and components was used to calculate the accumulated and current year amortisation due to the information that was available at the time from the fixed asset system. Significant work was undertaken during 2016/17 on the fixed assets system and the amortisation was recalculated on an individual component basis. This exercise highlighted that the estimate of accumulated amortisation as at 31st March 2015 was different to the actual accumulated amortisation. Note 26 to the Financial Statements shows details of the effect of this on the Financial Statements.

Blackwood Homes and Care – Trading as Blackwood

Report of the Board (continued) For the year ended 31 March 2017

Going Concern

The Board's assessment of Blackwood shows no significant doubts about its ability to continue as a going concern. There are no matters of known material uncertainties that would require disclosure, and the £5m loan facility from Triodos Bank has enabled Blackwood to continue its AMS programme, including the redevelopment in Dundee. The Board has agreed Heads of Terms for a further £5 million Revolving Credit Facility (RCF) with Triodos Bank which will be available to support planned investment and business growth from 1st July 2017.

The Board has a reasonable expectation that Blackwood has adequate resources to continue in operational existence for the foreseeable future. Thus, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure of Information to the Auditor

The members of the Board at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. They confirm that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Auditor

A resolution for the reappointment of RSM UK Audit LLP, as auditors of Blackwood, will be proposed at the Annual General meeting.

By Order of the Board



Position

CHAIR

Date:

29/8/17

Blackwood Homes and Care – Trading as Blackwood

Statement of the Board's Responsibilities For the year ended 31 March 2017

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to ensure that financial statements are prepared for each financial year, which give a true and fair view of the Association's state of affairs and of the surplus or deficit of the Association for that period. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is not appropriate to presume that the Association will continue in business.

The Board is responsible for the keeping of proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Association. The Board must ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Registered Housing Associations Determination of Accounting Requirements 2014. It is 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 has general responsibility for taking reasonable steps to safeguard the assets of the RSL and to prevent and detect fraud and other irregularities.

Blackwood Homes and Care – Trading as Blackwood

The Board's Statement of Internal Financial Control For the year ended 31 March 2017

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

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

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable, and not absolute, assurance against material financial misstatement or loss or failure to meet objectives. Key elements of the Association's systems include ensuring that:

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for the important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Management Team and Board to monitor the key business risks, financial objectives and progress being made towards achieving the financial plans set for the year and for the medium term;
- monthly/quarterly management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information, with significant variances from budget being investigated as appropriate;
- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through the Board;
- the Audit Committee receives reports from management and from the external and internal auditors, to provide reasonable assurance that control procedures are in place and are being followed, and that a general review of the major risks facing the Association is undertaken; and
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal and external audit reports.

The effectiveness of the Association's system of internal financial control has been reviewed by the Audit Committee for the year ended 31 March 2017. No weaknesses were found in internal financial controls which resulted in material losses, contingencies, or uncertainties which require disclosure in these financial statements or in the auditor's report on the financial statements.

By Order of the Board



Position

CHAIR

Date

29/8/17

Blackwood Homes and Care – Trading as Blackwood

Report by the Auditors to the Members of Blackwood Homes and Care on Corporate Governance for the year ended 31 March 2017

In addition to our audit of the Financial Statements, we have reviewed your statement on Page 9 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 to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council through enquiry of certain members of the Management Committee and Officers of the Association and examination of relevant documents. 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 9 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.



RSM UK AUDIT LLP
Statutory Auditor
Chartered Accountants
Third Floor, Centenary House,
69 Wellington Street,
Glasgow,
G2 6HG

Date 30/8/17

Blackwood Homes and Care – Trading as Blackwood

The Independent Auditor's Report to the Members of Blackwood Homes and Care For the year ended 31 March 2017

Opinion on financial statements

We have audited the financial statements of Blackwood Homes and Care for the year ended 31 March 2017 on pages 12 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2017 and of its income and expenditure for the year then ended; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – December 2014.

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 website at <http://www.frc.org.uk/auditscopeukprivate>

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

Respective responsibilities of the Board and auditor

As explained more fully in the Board's Responsibilities Statement set out on page 8, the Board 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.

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and 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.

RSM UK Audit LLP

RSM UK AUDIT LLP
Statutory Auditor
Chartered Accountants
Third Floor, Centenary House
69 Wellington Street
Glasgow
G2 6HG

Date 30/8/17

Blackwood Homes and Care – Trading as Blackwood

Statement of Comprehensive Income For the year ended 31 March 2017

	Notes	2017	2016
		£'000	£'000
TURNOVER	2	16,790	15,644
Operating expenditure	2	<u>(16,151)</u>	<u>(14,710)</u>
OPERATING SURPLUS		639	934
Gain/(Loss) on disposal of property, plant and equipment		137	(69)
Decrease in valuation of housing properties		-	(135)
Interest receivable	6	12	12
Interest and financing costs	7	(764)	(744)
SURPLUS/(DEFICIT) BEFORE TAX		<u>24</u>	<u>(2)</u>
Taxation		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>24</u>	<u>(2)</u>

The results relate wholly to continuing activities.

The accompanying notes form part of these financial statements.

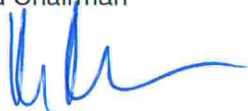
Blackwood Homes and Care – Trading as Blackwood

**Statement of Financial Position
As at year ended 31 March 2017**

	Notes	2017 £'000	2016 £'000
FIXED ASSETS			
Intangible assets	11	341	363
Housing properties	12.A	82,648	82,088
Other fixed assets	12.B	651	596
Investment in subsidiaries	13	-	-
		<u>83,640</u>	<u>83,047</u>
CURRENT ASSETS			
Properties held for sale	14	100	293
Trade and other debtors	15	1,953	1,954
Cash and cash equivalents		3,886	2,854
		<u>5,939</u>	<u>5,101</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	16	(4,673)	(3,717)
NET CURRENT ASSETS		<u>1,266</u>	<u>1,384</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>84,906</u>	<u>84,431</u>
Creditors: Amounts falling due after more than one year	17	(69,016)	(68,592)
Provisions for liabilities			
Other provisions	20	(49)	(22)
TOTAL NET ASSETS		<u>15,841</u>	<u>15,817</u>
RESERVES			
Income and expenditure reserve		15,841	15,817
TOTAL RESERVES		<u>15,841</u>	<u>15,817</u>

The financial statements on pages 12 to 35 were approved by the Board and authorised for issue on 29th August 2017 and are signed on its behalf by:

Board Chairman



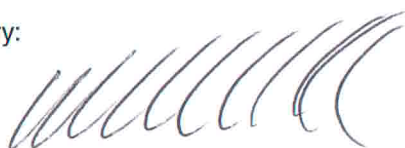
MAX BROWN

Board Member



LESLEY BIDDIE

Secretary:



W. RUSSELL

Blackwood Homes and Care – Trading as Blackwood

Statement of Changes in Reserves For the year ended 31 March 2017

	Income and expenditure reserve £'000	Total £'000
Balance at 01 April 2015	19,041	19,041
Prior Period Adjustment (note 26)	(3,222)	(3,222)
Balance at 1 April 2015	15,819	15,819
Deficit for the year	(2)	(2)
Balance as at 31 March 2016	<u>15,817</u>	<u>15,817</u>
Surplus for the year	24	24
Balance at 31 March 2017	<u>15,841</u>	<u>15,841</u>

Blackwood Homes and Care – Trading as Blackwood

Statement of Cashflows For the year ended 31 March 2017

	Notes	2017 £'000	2016 £'000
Net cash generated from operating activities	22	2,766	1,238
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of intangible fixed assets		(29)	(123)
Purchase of tangible fixed assets		(3,465)	(2,191)
Proceeds from sale of tangible fixed assets		342	197
Grants received		936	480
Interest received		12	12
NET CASH (USED IN) INVESTING ACTIVITIES		<u>(2,204)</u>	<u>(1,625)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		(764)	(744)
New secured loans		1,500	1,500
Repayments of borrowings		(266)	(255)
NET CASH FROM FINANCING ACTIVITIES		<u>470</u>	<u>501</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>1,032</u>	<u>114</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>2,854</u>	<u>2,740</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	22	<u>3,886</u>	<u>2,854</u>

1. ACCOUNTING POLICIES

LEGAL STATUS

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010. The Association is a Public Benefit Entity.

The address of the Company's registered office and principal place of business is 160 Dundee Street Edinburgh EH11 1DQ.

The Association's principal activities are shown on page 3.

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2014 "Statement of Recommended Practice for Registered Housing Providers" and the comply with the Determination of Accounting Requirements 2014, and under the historical cost convention.

The financial statements are prepared in Sterling and all monetary amounts are rounded to the nearest whole £000.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Preparation of the financial statements requires management to make critical judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included below.

Useful lives of property

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on historical experience, advice from qualified experts where required or appropriate and other factors.

Components of housing properties

Housing properties are split between land, structure and major components which require periodic replacement. Replacement or refurbishment of such major components is capitalised and depreciated over the estimated useful life which has been set taking into account professional advice, Blackwood's own Asset Management Strategy and the requirement of the Scottish Housing Quality Standard.

CATEGORISATION OF LEASES

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Association as lessee, or the lessee, where the Association is a lessor.

GOING CONCERN

As set out on Page 7 of its Report, the Board considers the assumption regarding going concern underlying the preparation of Blackwood's Financial Statements to be appropriate.

On that basis the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1. ACCOUNTING POLICIES (continued)

TURNOVER AND REVENUE RECOGNITION

Turnover comprises rental and service charge income receivable in the period, income from shared ownership first tranche sales, sale of properties built for sale, other services provided at the invoice value (excluding VAT) and revenue grants receivable in the period.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the transaction.

Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

GOVERNMENT GRANTS

Government grants include grants receivable from the Scottish Government, local authorities and other government bodies. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) on a pro rata basis under the accruals model.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, then any unamortised grant remaining is derecognised as a liability and recognised as income. Where there is a requirement to repay a grant a liability is included in the Statement of Financial Position to recognise this obligation.

OTHER GRANTS

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

OTHER INCOME

Interest income is recognised on an accruals basis.

BORROWING COSTS

General and specific borrowing costs directly attributable to the acquisition and construction of qualifying properties are added to the cost of those properties until such a time as the properties are ready for their intended use or sale.

All other borrowing costs are expensed as incurred.

Blackwood Homes and Care – Trading as Blackwood

Note to the Financial Statements for the year ended 31 March 2017

1. ACCOUNTING POLICIES (Continued)

FIXED ASSETS – INTANGIBLE ASSETS

Intangible assets purchased other than in a business combination are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

Computer Software - over 10 years straight line

Amortisation is revised prospectively if there is a significant change in the useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

FIXED ASSETS – SOCIAL HOUSING PROPERTIES

Housing properties are properties for the provision of social housing or to otherwise provide social benefit and are principally properties available for rent and shared ownership.

In accordance with SORP 2014, Blackwood operates a full component accounting policy in relation to the capitalisation and depreciation of its completed housing stock.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in either:

- An increase in rental income;
- A material reduction in future maintenance costs; or
- A significant extension to the life of the property.

Major components are treated as separate assets and depreciated over their useful economic lives or the lives of the structure to which they relate, if shorter at the following rates. Freehold land is not subject to depreciation.

Land	Not depreciated
Structure	over 60 years
Electrical wiring	over 30 years
Windows and doors	over 30 years
Sanitary ware	over 30 years
Radiators	over 30 years
Storage Heaters	over 20 years
Kitchens (Domestic and commercial)	over 15 years
Boilers(Domestic and commercial)	over 15 years
Lifts	over 30 years

Shared ownership properties are split proportionally between fixed assets and current assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds are included in turnover.

The remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment. Where the first tranche has been sold prior to the acquisition of the properties, these are included in fixed assets only.

Shared Ownership properties are depreciated over 60 years.
Assets under construction are not depreciated.

1. ACCOUNTING POLICIES (Continued)

New Build

Housing properties in the course of construction are held at cost and are not depreciated. They are transferred to completed properties when ready for letting.

It is Blackwood's policy to capitalise the following;

- Cost of acquiring land and buildings
- Interest costs directly attributable
- Development expenditure including direct development staff costs
- Other directly attributable internal and external costs

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

IMPAIRMENT

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the RSL estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the income and expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

OTHER FIXED ASSETS

For other fixed assets, depreciation is charged on a straight line basis over the expected useful, economic lives of fixed assets less any estimated residual value over the following expected lives. Assets are charged fully for the year in the year in which they are acquired at the following rates;

Fixtures & fittings	over 5 – 25 years
Computer hardware	over 3 – 10 years

RECOVERABLE AMOUNT OF RENT ARREARS AND OTHER DEBTORS

Provision is made against rent arrears of current and former tenants as well as other miscellaneous debts to the extent that they are considered potentially irrecoverable. Debts are classed as potentially uncollectable after an assessment of the legislative options available to recover and consideration specific circumstances.

STOCKS

Stocks are valued at the lower of cost and net realisable value.

TAXATION

Blackwood has charitable status and is registered with the Office of Scottish Charities Regulator and is therefore exempt from paying Corporation Tax on charitable activities.

1. ACCOUNTING POLICIES (Continued)

VAT

Blackwood is not VAT registered, as a large proportion of income, namely rents, is exempt for VAT purposes. Expenditure is shown inclusive of VAT.

DEPOSITS AND LIQUID RESOURCES

Cash comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand.

LEASES

Finance Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the RSL substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to income and expenditure so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating Leases

All other leases are operating leases and the annual rentals are charged to income and expenditure on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense.

Employees are entitled to carry forward up to 5 days of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when Blackwood is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

RETIREMENT BENEFITS

For defined contribution schemes the amount charged to income and expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

FINANCIAL INSTRUMENTS

The Association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument, and are offset only when the Association currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1. ACCOUNTING POLICIES (Continued)

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income and expenditure.

Financial liabilities

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Debt instruments that do not meet the conditions in FRS 102, paragraph 11.9, are subsequently measured at fair value through income and expenditure.

Commitments to receive a loan are measured at cost less impairment.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

1. ACCOUNTING POLICIES (Continued)

PROVISIONS

Provisions are recognised when Blackwood has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

RESERVES

The Association establishes restricted funds for specific purposes where their use is subject to restrictions imposed by third parties.

Blackwood Homes and Care – Trading as Blackwood

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 March 2017

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

		20		
	Notes	Turnover £'000	Operating costs £'000	Operati surplus/(defic £'0
Affordable letting activities	3	12,606	(11,541)	1,0
Other activities	4	4,184	(4,610)	(42
Total		16,790	(16,151)	6
Total for previous reporting period		15,644	(14,710)	9

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2017

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

	General Needs Social Housing		Supported Social Housing Accommodation		Shared Ownership Housing		Total 2016	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rent receivable net of service charges	6,908	3,375	10	10,293			10,042	
Service charges	545	-	-	545			546	
Gross income from rents and service charges	7,453	3,375	10	10,838			10,588	
Less voids	(31)	-	-	(31)			(45)	
Net income from rents and service charges	7,422	3,375	10	10,807			10,543	
Grants released from deferred income	1,614	-	-	1,614			1,599	
Revenue grants from Scottish Ministers	-	-	-	-			-	
Other revenue grants	9	176	-	185			319	
Total turnover from affordable letting activities	9,045	3,551	10	12,606			12,461	
Management and maintenance administration costs	2,345	712	-	3,057			3,052	
Service costs	542	3,446	-	3,988			3,571	
Planned and cyclical maintenance including major repairs costs	357	133	-	490			497	
Reactive maintenance costs	1,234	74	-	1,308			1,369	
Bad debts - rents and service charges	47	-	-	47			33	
Depreciation of affordable let properties	2,648	-	3	2,651			2,569	
Operating Costs for affordable letting activities	7,173	4,365	3	11,541			11,091	
Operating surplus or deficit for affordable letting activities	1,872	(814)	7	1,065			1,370	
Operating surplus or deficit for affordable letting activities for previous reporting period	1,708	(343)	10	1,370			1,370	

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2017

4.	PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES									
	Grants From Scottish Ministers £'000	Other revenue grants £'000	Supporting people income £'000	Other income £'000	Total turnover £'000	Operating costs bad debts £'000	Other operating costs £'000	Operating surplus or deficit £'000	Operating surplus or deficit for previous reporting period £'000	
	-	-	-	-	-	-	-	-	-	
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	-	-	3,981	-	3,981	-	(4,529)	(548)	(439)	
Care activities	-	-	-	-	-	-	-	-	-	
Business Development activities	57	24	-	122	203	-	(81)	122	95	
Other Income	-	-	-	-	-	-	-	-	44	
Sale of Properties Held For Disposal	57	24	3,981	122	4,184	-	(4,610)	(426)	(436)	
Total from other activities										
Total from other activities for the previous reporting period	-	115	2,973	95	3,183	-	(3,619)	(436)		

Blackwood Homes and Care – Trading as Blackwood

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2017

5.	ACCOMMODATION IN MANAGEMENT		
		2017	2016
		Units	Units
	General needs housing	1,532	1,538
	Shared ownership	4	4
	Supported housing	68	68
		<hr/>	<hr/>
	TOTAL UNITS IN MANAGEMENT	1,604	1,610
		<hr/>	<hr/>
6.	INTEREST RECEIVABLE AND SIMILAR INCOME		
		2017	2016
		£'000	£'000
	Interest on bank deposits	12	12
		<hr/>	<hr/>
		12	12
		<hr/>	<hr/>
7.	INTEREST PAYABLE AND SIMILAR CHARGES		
		2017	2016
		£'000	£'000
	Interest arising on:		
	Bank loans and overdrafts	764	744
		<hr/>	<hr/>
		764	744
		<hr/>	<hr/>

Blackwood Homes and Care – Trading as Blackwood

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2017

8. OPERATING SURPLUS OR DEFICIT

	2017	2016
	£'000	£'000
Operating surplus is stated after charging/(crediting):		
Depreciation of housing properties	2,652	2,569
Depreciation of other tangible fixed assets	97	133
Amortisation of other intangible fixed assets	57	45
Deficit/(surplus) on disposal of tangible fixed assets (note 9)	137	69
Impairment of Housing Properties	-	135
Operating lease rentals (note 23)	142	126
	<u>142</u>	<u>126</u>

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	2017	2016
	£'000	£'000
Audit services - statutory audit of the Association	29	22
<i>Other services :-</i>		
Audit-related assurance services	-	4
Taxation compliance services	7	3
All other non-audit services	-	20
	<u>36</u>	<u>49</u>

9. SURPLUS OR (DEFICIT) ON SALE OF FIXED ASSETS – HOUSING PROPERTIES

	2017	2016
	£'000	£'000
Disposal proceeds	342	81
Carrying value of fixed assets	(205)	(150)
Surplus/(Deficit)	<u>137</u>	<u>(69)</u>
Capital grant repaid	-	-
Surplus/(Deficit)	<u>137</u>	<u>(69)</u>

10. EMPLOYEES

	2017	2016
	No.	No.
The average monthly number of full time equivalent persons (including key management personnel) employed by the Association during the year was:		
Office and management/Administration	38	34
Housing support and care	291	244
	<u>329</u>	<u>278</u>

	2017	2016
	£'000	£'000
Staff costs for the above persons:		
Wages and salaries	6,996	6,115
Social security costs	568	471
Other pension costs	109	84
Death in Service and permanent health insurance	28	24
Temporary and contract staff	520	411
Redundancy	239	7
	<u>8,460</u>	<u>7,112</u>

Blackwood Homes and Care – Trading as Blackwood

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2017

10. EMPLOYEES (continued)

Key management personnel are defined as members of the Board and the Chief Executive and any other person who reports directly to the Chief Executive or directly to the Board and listed on page 2. No emoluments were paid to any member of the Board during the year.

The number of key management personnel who received emoluments (excluding employers' pension contributions) in excess of £60,000 during the reporting period fell within the following bands:

	2017	2016
	No.	No.
£60,000 - £70,000	2	2
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1
	2017	2016
	£'000	£'000
Aggregate emoluments for the key management personnel	<u>413</u>	<u>365</u>
The emoluments of the Chief Executive (excluding pension contributions)	<u>113</u>	<u>110</u>
Aggregate pension contributions in relation to the key management personnel	<u>5</u>	<u>5</u>

Blackwood Homes and Care – Trading as Blackwood

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2017

11. INTANGIBLE ASSETS

	Computer Software £'000	Total £'000
Cost		
1 April 2016	482	482
Additions	35	35
Disposals	-	-
31 March 2017	<u>517</u>	<u>517</u>
Amortisation		
1 April 2016	119	119
Amortisation charged in year	57	57
31 March 2017	<u>176</u>	<u>176</u>
Net book value		
31 March 2017	<u>341</u>	<u>341</u>
31 March 2016	<u>363</u>	<u>363</u>

12.A TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Social housing properties held for letting £'000	Housing properties for letting under construction £'000	Completed shared ownership housing properties £'000	Total housing properties £'000
Cost				
1 April 2016	120,973	152	171	121,296
Additions				
Works to existing properties	2,450			2,450
Works to new properties		847		847
Disposals	(363)	(45)		(408)
31 March 2017	<u>123,060</u>	<u>954</u>	<u>171</u>	<u>124,185</u>
Depreciation and impairment				
1 April 2016	39,022	-	9	39,031
Prior Period Adjustment (note 26)	177	-	-	177
1 April 2016 restated	39,199	-	9	39,208
Depreciation charged in year	2,650	-	3	2,653
Released on disposal	(324)	-	-	(324)
31 March 2017	<u>41,525</u>	<u>-</u>	<u>12</u>	<u>41,537</u>
Net book value				
31 March 2017	<u>81,535</u>	<u>954</u>	<u>159</u>	<u>82,648</u>
31 March 2016	<u>81,774</u>	<u>152</u>	<u>162</u>	<u>82,088</u>

Blackwood Homes and Care – Trading as Blackwood

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2017

12.A TANGIBLE FIXED ASSETS
 PROPERTIES (continued)

EXPENDITURE ON WORKS
 TO EXISTING PROPERTIES

	2017 £'000	2016 £'000
Improvement work capitalised	723	356
Replacement component spend capitalised	967	1,407
Amounts charged to income and expenditure	490	497
Total major repairs spend	<u>2,180</u>	<u>2,260</u>
Value of capitalised land	12,615	12,615
Value of capitalised interest	<u>-</u>	<u>-</u>

12.B TANGIBLE FIXED ASSETS –
 OTHER

	Computers and Office Equipment £'000	Furniture, fixtures and fittings £'000	Total £'000
Cost			
1 April 2016	904	257	1,161
Additions	135	33	168
31 March 2017	<u>1,039</u>	<u>290</u>	<u>1,329</u>
Depreciation and impairment			
1 April 2016	501	64	565
Depreciation charged in year	60	53	113
31 March 2017	<u>561</u>	<u>117</u>	<u>678</u>
Net book value			
31 March 2017	<u>478</u>	<u>173</u>	<u>651</u>
31 March 2016	<u>403</u>	<u>193</u>	<u>596</u>

13. SUBSIDIARY UNDERTAKINGS

The RSL's subsidiary undertakings are:

<i>Name of undertaking</i>	<i>Class of shareholding</i>	<i>Proportion of nominal value held directly</i>	<i>Nature of Business</i>
Margaret Blackwood Technical Consultants Limited	Ordinary	100%	Dormant

Blackwood Homes and Care – Trading as Blackwood

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2017

14.	PROPERTIES FOR SALE	2017	2016
		£'000	£'000
	Properties Held for outright sale	100	293
		<u>100</u>	<u>293</u>
	Value of land held for outright sale	100	223
15.	DEBTORS	2017	2016
		£'000	£'000
	Amounts falling due within one year:		
	Rent and service charges receivable	656	789
	Less: provision for bad and doubtful debts	<u>(14)</u>	<u>(21)</u>
		642	768
	HAG receivable	165	84
	Other debtors	762	882
	Prepayments and accrued income	<u>384</u>	<u>220</u>
		<u>1,953</u>	<u>1,954</u>
16.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2017	2016
		£'000	£'000
	Debt (note 19)	504	264
	Rent and service charges received in advance	184	171
	HAG Repayable	209	209
	Other grants received in advance	30	41
	Deferred capital grants (note 18)	1,494	1,599
	Trade creditors	368	683
	Other taxation and social security costs	125	119
	Accruals and deferred income	<u>1,759</u>	<u>631</u>
		<u>4,673</u>	<u>3,717</u>
17.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2017	2016
		£'000	£'000
	Debt (note 19)	19,108	18,122
	Deferred capital grant (note 18)	<u>49,908</u>	<u>50,470</u>
		<u>69,016</u>	<u>68,592</u>
		2017	2016
		£'000	£'000
	Included in creditors are:		
	Amounts repayable other than by instalments falling due after more than five years	<u>49,908</u>	<u>50,470</u>
	Amounts repayable by instalments falling due after more than five years	<u>16,675</u>	<u>18,122</u>

Blackwood Homes and Care – Trading as Blackwood

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2017

18.	DEFERRED CAPITAL GRANT	2017	2016
		£'000	£'000
	As at 1 April	52,066	54,294
	Grant received in the year	939	573
	Capital grant released	(1,614)	(1,599)
	Transfer to Current Assets	11	(1,202)
	As at 31 March	<u>51,402</u>	<u>52,066</u>
	Amounts to be released within one year	1,494	1,599
	Amounts to be released in more than one year	<u>49,908</u>	<u>50,467</u>
		<u>51,402</u>	<u>52,066</u>
19.	DEBT ANALYSIS – BORROWINGS	2017	2016
		£'000	£'000
	Creditors: amounts falling due within one year:		
	Bank loans	<u>504</u>	<u>264</u>
		504	264
	Creditors: amounts falling due after more than one year:		
	Bank loans	<u>19,108</u>	<u>18,122</u>
	Total	<u>19,612</u>	<u>18,386</u>

Borrowings are denominated and repaid in pounds sterling, have contractual interest rates that are either fixed rates or variable rates linked to LIBOR that are not leveraged, and do not contain conditional returns or repayment provisions other than to protect the lender against credit deterioration or changes in relevant legislation or taxation.

The Association makes quarterly repayments of the bank borrowings.

Bank borrowings of £19,612,000 (2016: £18,386,000) are secured against the Association's housing properties.

Based on the lender's earliest repayment date, borrowing are repayable as follows:

	2017	2016
	£'000	£'000
Due within one year	504	264
Due in one year or more but less than two years	587	487
Due between two and five years	1,846	1,598
Due more than five years	<u>16,675</u>	<u>16,037</u>
	<u>19,612</u>	<u>18,386</u>

Blackwood Homes and Care – Trading as Blackwood

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2017

20. PROVISIONS

	Holiday pay £'000	Total £'000
1 April 2016	22	22
Utilised in the year	(22)	(22)
Additional Provision in the Year	49	49
31 March 2017	<u>49</u>	<u>49</u>

Holiday Pay

This represents holiday accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the statutory cost payable for the period of absence.

21. SHARE CAPITAL

The Association is limited by guarantee and consequently has no share capital. Each of the Association's members agrees to contribute £1 in the event of the Association winding up.

	2017 Number	2016 Number
Number of members		
1 April 2016	59	56
Joined during the year	5	9
Left during year	(8)	(6)
31 March 2017	<u>56</u>	<u>59</u>

Blackwood Homes and Care – Trading as Blackwood

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2017

22.	RECONCILIATION OF SURPLUS/(DEFICIT) TO NET CASH GENERATED FROM OPERATIONS	2017 £'000	2016 £'000
	Surplus/(Deficit) for the year	24	(2)
	Adjustments for non-cash items:		
	Depreciation of tangible fixed assets	2,748	2,902
	Depreciation of Intangible Assets	57	45
	Amortisation of Capital Grants	(1,614)	(1,599)
	Loss on disposal of tangible fixed assets	(137)	69
	Impairment of housing properties	-	135
	Interest receivable	(12)	(12)
	Interest payable	764	744
	Operating cash flows before movements in working capital	1,830	2,282
	Decrease in properties held for sale	123	
	Decrease in trade and other debtors	1	(942)
	Increase/(Decrease) in trade and other creditors	787	(102)
	Increase in other provisions	25	-
	Cash generated from operations	2,766	1,238
	 CASH AND CASH EQUIVALENTS		
		2017 £'000	2016 £'000
	Cash and cash equivalents represent: -		
	Cash at bank	3,886	2,854
		3,886	2,854
23.	CAPITAL COMMITMENTS AND OTHER CONTRACTUAL OBLIGATIONS	2017 £'000	2016 £'000
	Expenditure authorised by the board, but not contracted	5,769	2,686
	The above commitments will be funded through a mixture of our own funds, Housing Association Grant and the utilisation of the revolving credit facility of £5m available from Triodos Bank.		
	At 31 March 2017 Blackwood had committed under non-cancellable operating leases as follows;		
		2017 £'000	2016 £'000
	Within One Year	162	142
	In the second to fifth year inclusive	144	409
	Over Five years	-	-
		306	551

Blackwood Homes and Care – Trading as Blackwood

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2017

24. RETIREMENT BENEFITS

The Association participates in a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Association in an independently administered fund. The contributions payable by the Association charged to income and expenditure amounted to £109,000 (2016: £84,000). Contributions totalling £18,001 (2016: £14,686) were payable to the fund at the year end and are included in creditors.

25. RELATED PARTY TRANSACTIONS

Blackwood maintains a register of Board Members' Interests.

During the year one of the members of Blackwood's Board was a tenant of the organisation on the same standard terms as all tenants. The rent charged for the year was £5,520; there were no arrears at the end of March 2017.

A member of Blackwood's Board has disclosed an interest in related public bodies in respect of the Scottish Government. Any transactions with these bodies are carried out on an arms length basis on normal commercial terms. Members of the Board cannot use their position to their advantage.

Amounts outstanding are unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the year (2016: £0) in respect of bad debts from related parties.

26. PRIOR PERIOD ADJUSTMENT

The principle of FRS102 and the RSL SORP is to account for government grants received for housing properties under the accruals model. This means that the grants are recognised in income over the useful economic life of the structure and the individual components of the asset.

On transition to FRS102 for the 31st March 2016 financial statements, an average useful life for structure and components was used to calculate the accumulated and current year amortisation due to the information that was available at the time from the fixed asset system. Significant work was undertaken during 2016/17 on the fixed assets system and the amortisation was recalculated on an individual component basis. This exercise highlighted that the estimates of accumulated amortisation, and to a lesser extent accumulated depreciation, at 31st March 2015 were not accurate.

There is no effect of the correction of these estimates on the 31 March 2016 comparative figures. The 31 March 2016 opening reserves have decreased by £3.222m of which £0.177m related to increased depreciation, and £3.045m related to grant amortisation.

	31 March 2015 £000's	Prior Period Adjustment £000's	Restated 31 March 2015 £000's
Reserves under UK GAAP	12,311	-	12,311
Grant Accounting	32,109	(3,045)	29,064
Depreciation	(25,355)	(177)	(25,532)
Holiday pay	(24)	-	(24)
Adjustment to reserves for FRS102	6,730	(3,222)	3,508
Reserves reported under for FRS102	19,041	(3,222)	15,819