

Blairtummock Housing Association Limited

Report and Financial Statements

For the year ended 31st March 2015

Registered Housing Association No.HCB216

FCA Reference No. 2354R(S)

Scottish Charity No. SC036997

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

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BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

**MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS
YEAR ENDED 31st MARCH 2015**

MANAGEMENT COMMITTEE

Mary Catherine Mulligan
Catherine Black
Margaret Pirrie
John Wilkie
Patricia Aitken
Helen Casey
Maureen Loughran
Elizabeth McGill
Tracey Slaven
Andrea McLachlan
Lisa Hotchkiss
Gerard McGinty

Chairperson
Vice Chairperson
Secretary
Treasurer

(Appointed Casual Member November 2014)

EXECUTIVE OFFICERS

Susan Crookston
Jacqui O'Rourke

Director
Deputy Director

REGISTERED OFFICE

45 Boyndie Street
Glasgow
G34 9JQ

AUDITORS

Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow
G2 7HF

BANKERS

Clydesdale Bank plc
47 Main Street
Baillieston
Glasgow
G69 6SQ

SOLICITORS

T C Young
7 West George Street
Glasgow
G2 1BA

Kelly & Co
184 Abercrombie Street
Glasgow
G40 2RZ

REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31ST MARCH 2015

The Management Committee presents its report and the Financial Statements for the year ended 31st March 2015.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.2354R(S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC036997.

Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation.

Review of Business and Future Developments

The members of the Management Committee are of the opinion that the state of affairs of the Association is satisfactory.

We are progressing with the investment plan which will utilise the dowry received with the Rogerfield properties. The programme should be complete in the next two years.

We have begun to demolish 120 low demand properties. This programme will be completed in the next 12 months ahead of our original programme. We continue to review our services to tenants to ensure that we deliver relevant and sustainable housing management and maintenance services. We have introduced an annual Tenant scrutiny event to provide a focused opportunity to discuss our policies, proposals and performance with tenants.

REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31ST MARCH 2015

Management Committee and Executive Officers

The members of the Management Committee and the Executive Officers are listed on Page 1.

Each member of the Management Committee holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the Association's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Management Committee.

The members of the Management Committee are also Trustees of the Charity. Members of the Management Committee are appointed by the members at the Association's Annual General Meeting.

Statement of Management Committee's Responsibilities

The Co-operative & Community Benefit Societies Act 2014 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 surplus or deficit of the Association for that period. In preparing those Financial Statements, the Management Committee is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business;
- prepare a statement on Internal Financial Control.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2012. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

The Management Committee must in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Management Committee are aware:

- There is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Association's auditors are unaware, and
- The Management Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's auditors are aware of that information.

REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31ST 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 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;
- the safeguarding of assets against unauthorised use or disposition.

It is the Management Committee's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. 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 Association's assets;
- experienced and suitably qualified staff take responsibility for 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 the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- Quarterly financial management reports 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 Management Committee;
- the Management Committee receive reports from management and from the external and internal auditors to provide reasonable assurance that internal financial controls are in place and are effective and that a review of the major risks facing the Association is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2015. No weaknesses were found in internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Auditors

In line with good practice the Association plans to invite tenders for its external audit service at least once every seven years. As a result the Association has put its external audit service out to tender in 2015. The Association's auditors, Alexander Sloan, have indicated their willingness to stay in office.

By order of the Management Committee



MARGARET PIRRIE
Secretary

06 August 2015

REPORT BY THE AUDITORS TO THE MEMBERS
BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED
ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement 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 Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements relating to 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 reasons 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 Advice 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 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 relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



ALEXANDER SLOAN
Chartered Accountants

GLASGOW
06 August 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Blairtummock Housing Association Limited for the year ended 31st March 2015 which comprise an income and expenditure account, balance sheet, cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members, as a body, in accordance with 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Management Committee and Auditors

As explained more fully in the Statement of Management Committee's Responsibilities the Association's Management Committee, are responsible for the preparation of the Financial Statements that 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 on the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Management Committee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Management Committee's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

Opinion on the financial statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Association's affairs as at 31st March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice: and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2012.

In our opinion the exemption granted by the Financial Conduct Authority from the requirement to prepare Group Accounts is applicable as the amounts involved are not material.

Matters on which we are required to report by exception

We are required to report to you if, in our opinion:

- the information given in the Management Committee's Report is inconsistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED**

Matters on which we are required to report by exception (contd.)

- proper books of account have not been kept by the Association in accordance with the requirements of the legislation.
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation.
- the Income and Expenditure Account to which our report relates, and the Balance Sheet are not in agreement with the books of the Association.
- we have not received all the information and explanations necessary for the purposes of our audit.

We have nothing to report in respect of these matters.



ALEXANDER SLOAN
Chartered Accountants
Statutory Auditors
GLASGOW
06 August 2015

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2015

	Notes	2015 £	2014 £
TURNOVER	2.	2,788,600	2,678,783
Operating Costs	2.	<u>(2,307,484)</u>	<u>(2,795,053)</u>
OPERATING SURPLUS / (DEFICIT)	9.	481,116	(116,270)
Gain On Sale Of Housing Stock	7.	39,127	17,298
Release of Negative Goodwill	22.	27,622	27,622
Interest Receivable and Other Income		37,548	46,548
Interest Payable and Similar Charges	8.	<u>(206,230)</u>	<u>(211,468)</u>
		<u>(101,933)</u>	<u>(120,000)</u>
SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		379,183	(236,270)
Tax on surplus / (deficit) on ordinary activities	10.	-	-
SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES AFTER TAXATION		<u>379,183</u>	<u>(236,270)</u>

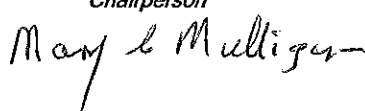
All amounts relate to continuing activities. All recognised surpluses and deficits have been included in the Income & Expenditure Account. Historical cost surpluses and deficits are identical to those shown in the accounts.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

BALANCE SHEET AS AT 31st MARCH 2015

	Notes	2015	2014
		£	£
TANGIBLE FIXED ASSETS			
Housing Properties - Depreciated Cost	11.(a)	31,774,073	31,777,822
Less: Social Housing Grant	11.(a)	(23,267,858)	(23,442,371)
: Other Public Grants	11.(a)	(529,901)	(530,101)
		<u>7,976,314</u>	<u>7,805,350</u>
Other fixed assets	11.(b)	850,881	871,061
		<u>8,827,195</u>	<u>8,676,411</u>
Negative Goodwill	22.	(1,367,132)	(1,394,754)
CURRENT ASSETS			
Debtors	13.	199,033	507,962
Development Cost of Housing Property	23.	-	-
Investments	23.	4,393,340	3,944,437
Cash at bank and in hand		378,881	671,644
		<u>4,971,254</u>	<u>5,124,043</u>
CREDITORS: Amounts falling due within one year	14.	(855,387)	(977,652)
NET CURRENT ASSETS		<u>4,115,867</u>	<u>4,146,391</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,575,930</u>	<u>11,428,048</u>
CREDITORS: Amounts falling due after more than one year	15.	(5,501,785)	(5,733,079)
NET ASSETS		<u>6,074,145</u>	<u>5,694,969</u>
CAPITAL AND RESERVES			
Share Capital	17.	119	126
Designated Reserves	18.(a)	936,904	931,601
Revenue Reserves	18.(b)	5,137,122	4,763,242
		<u>6,074,145</u>	<u>5,694,969</u>

The Financial Statements were approved by the Management Committee and signed on their behalf on 06 August 2015.

Chairperson

 Mary E Mulligan


 Vice-Chairperson


 Secretary

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

**CASH FLOW STATEMENT FOR THE YEAR ENDED
31st MARCH 2015**

	£	2015 £	£	2014 £
Net Cash Inflow from Operating Activities		814,373		812,139
Returns on Investment and Servicing of Finance				
Interest Received	39,884		52,142	
Interest Paid	(206,230)		(211,468)	
Net Cash Outflow from Investment and Servicing of Finance		(166,346)		(159,326)
Capital Expenditure and Financial Investment				
Acquisition and Construction of Properties	(645,481)		(1,018,154)	
Purchase of Other Fixed Assets	(9,402)		(12,988)	
Social Housing Grant Received	15,882		12,183	
Other Grants Received	302,340		107,490	
Proceeds on Disposal of Properties	69,756		57,217	
Net Cash Outflow from Capital Expenditure and Financial Investment		(266,905)		(854,252)
Net Cash Inflow / (Outflow) before use of Liquid Resources and Financing		381,122		(201,439)
Management of Liquid Resources				
Change in short term deposits with banks		(448,903)		(150,332)
Financing				
Loan Principal Repayments	(224,984)		(219,179)	
Share Capital Issued	2		8	
Net Cash Outflow from Financing		(224,982)		(219,171)
Decrease in Cash		(292,763)		(570,942)

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Basis Of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords 2010, and on the historical cost basis. They also comply with the Determination of Accounting Requirements 2012. A summary of the more important accounting policies is set out below.

Basis Of Consolidation

The Association has obtained exemption from the Financial Conduct Authority from producing Consolidated Financial Statements as provided by Section 14(2A) of the Friendly and Industrial and Provident Societies Act 1968. The Financial Statements for Blairtummock Housing Association Limited present information about it as an individual undertaking and not about its Group.

Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable.

Retirement Benefits

The Association participates in the Scottish Housing Association Defined Contribution Pension Scheme. Prior to 1 April 2014 the Association participated in the Scottish Housing Association Defined Benefit Pension scheme where retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

Valuation Of Housing Properties

Housing Properties are stated at cost, less social housing and other public grants and less accumulated depreciation. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 11. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

<i>Component</i>	<i>Useful Economic Life</i>
Roof - tiles/flashings	40 years
External fabric/brickwork	40 years
Windows	30 years
Kitchens	15 years
Bathrooms	25 years
Boilers	15 years
Radiators/pipework	30 years
Electrics	30 years
Internal doors/frames	30 years
Structure	50 years

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Depreciation And Impairment Of Other Fixed Assets

Other Fixed Assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:-

Office Premises	2%
Furniture and Fittings	10%
Computer Equipment	33%
Office Equipment	20%

The carrying value of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Social Housing Grant And Other Grants In Advance/Arrears

Where developments have been financed wholly or partly by Social Housing Grant or other capital grant, the cost of those developments has been reduced by the amount of the grant receivable. The amount of the grants receivable is shown separately on the Balance Sheet.

Social Housing Grant attributed to individual components is written off to the Income and Expenditure Account when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account in the same period as the expenditure to which it relates.

Although Social Housing Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

Sales Of Housing Properties

First tranche Shared Ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the Statement of Recommended Practice, disposals of subsequent tranches are treated as fixed asset disposals with the gain or loss on disposal shown in the Income and Expenditure Account.

Disposals of housing property under the Right to Buy scheme are treated as a fixed asset disposal and any gain and loss on disposal accounted for in the Income and Expenditure Account.

Disposals under shared equity schemes are accounted for in the Income and Expenditure Account. The remaining equity in the property is treated as a fixed asset investment, which is matched with the grant received.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Works to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

Capitalisation Of Development Overheads

Directly attributable development administration costs relating to development activities are capitalised in accordance with the Statement of Recommended Practice.

Designated Reserves

The Association has designated part of its reserves to meet its long term obligations.

The Cyclical Maintenance Reserve has been designated to meet future repair and maintenance obligations which are cyclical in nature. These are carried out in accordance with a planned programme of works.

The Major Repairs Reserve is based on the Association's liability to maintain housing properties in a state of repair which at least maintains their residual values in prices prevailing at the time of acquisition and construction.

Negative Goodwill

Negative goodwill created through transfer of engagements is written off to the Income and Expenditure account as the non-cash assets acquired are depreciated or sold.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Notes	2015			2014		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Social Lettings	3.	2,546,650	1,884,035	662,615	2,510,261	2,100,815	409,446
Other Activities	4.	241,950	423,449	(181,499)	168,522	694,238	(525,716)
Total		2,788,600	2,307,484	481,116	2,678,783	2,795,053	(116,270)

3. PARTICULARS OF INCOME & EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing £	Supported Housing £	Shared ownership £	2015 Total £	2014 Total £
Income from Lettings					
Rent Receivable Net of Identifiable Service Charges	2,368,957	38,978	45,649	2,453,584	2,414,803
Service Charges Receivable	94,080	496	617	95,193	102,329
Gross Rents Receivable	2,463,037	39,474	46,266	2,548,777	2,517,132
Less: Rent losses from voids	2,127	-	-	2,127	6,871
Net Rents Receivable	2,460,910	39,474	46,266	2,546,650	2,510,261
Total Income From Social Letting	2,460,910	39,474	46,266	2,546,650	2,510,261
Expenditure on Social Letting Activities					
Service Costs	127,759	496	-	128,255	126,951
Management and maintenance administration costs	575,830	-	-	575,830	628,833
Reactive Maintenance	392,319	-	-	392,319	376,321
Bad Debts - Rents and Service Charges	33,898	-	-	33,898	36,593
Planned and Cyclical Maintenance, including Major Repairs	372,698	-	-	372,698	190,291
Depreciation of Social Housing	213,434	-	4,384	217,818	210,543
Impairment of Housing	163,217	-	-	163,217	531,283
Operating Costs of Social Letting	1,879,155	496	4,384	1,884,035	2,100,815
Operating Surplus on Social Letting Activities	581,755	38,978	41,882	662,615	409,446
2014	333,720	37,501	38,225		

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Other Revenue Grants	Other Income	Total Turnover	Operating Costs Other	Operating Surplus / (Deficit) 2015	Operating Surplus / (Deficit) 2014
	£	£	£	£	£	£
Wider Role Activities	162,293	-	162,293	188,158	(25,865)	(16,734)
Care and Repair of Property	-	-	-	-	-	-
Factoring	-	9,956	9,956	9,841	115	884
Development and construction of property activities	-	-	-	185,069	(185,069)	(490,811)
Support Activities	-	5,305	5,305	-	5,305	-
Creche	-	12,847	12,847	3,561	9,286	10,304
Other Income	-	9,020	9,020	-	9,020	4,661
Services - Other Owners	24,910	17,619	42,529	30,098	12,431	(23,110)
Other Activities	-	-	-	6,722	(6,722)	(10,910)
Total From Other Activities	187,203	54,747	241,950	423,449	(181,499)	(525,716)
2014	125,895	42,627	168,522	694,238	(525,716)	

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

The Officers are defined in s149 of the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers or servants of the Association.

2015	2014
£	£

No Officer of the Association received emoluments greater than £60,000.

Emoluments payable to Chief Executive (excluding pension contributions)	<u>37,198</u>	<u>36,380</u>
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6. EMPLOYEE INFORMATION

	2015	2014
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	<u>15</u>	<u>15</u>

Staff Costs were:	£	£
Wages and Salaries	492,820	523,166
Social Security Costs	47,699	40,825
Other Pension Costs	120,533	83,035
Temporary, Agency and Seconded Staff	3,086	2,799
	<u>664,138</u>	<u>649,825</u>

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. GAIN ON SALE OF HOUSING STOCK

	2015	2014
	£	£
Sales Proceeds	69,756	57,217
Cost of Sales	<u>30,629</u>	<u>39,919</u>
Gain On Sale Of Housing Stock	<u>39,127</u>	<u>17,298</u>

8. INTEREST PAYABLE

	2015	2014
	£	£
On Bank Loans & Overdrafts	<u>206,230</u>	<u>211,468</u>
	<u>206,230</u>	<u>211,468</u>

9. SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2015	2014
	£	£
Surplus / (Deficit) on Ordinary Activities before Taxation is stated after charge		
Depreciation - Tangible Owned Fixed Assets	457,588	773,075
Auditors' Remuneration - Audit Services	8,835	9,082
- Other Services	1,247	900
Loss on sale of fixed assets	<u>-</u>	<u>1,042</u>

10. TAX ON SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. TANGIBLE FIXED ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Completed Shared Ownership Properties £	Shared Ownership In course of Construction £	Total £
COST					
As at 1st April 2014	33,895,313	-	1,032,963	-	34,928,276
Additions	645,481	-	-	-	645,481
Disposals	(317,413)	-	-	-	(317,413)
Schemes Completed	-	-	-	-	-
As at 31st March 2015	<u>34,223,381</u>	<u>-</u>	<u>1,032,963</u>	<u>-</u>	<u>35,256,344</u>
DEPRECIATION					
As at 1st April 2014	3,095,707	-	54,747	-	3,150,454
Charge for Year	379,438	-	4,384	-	383,822
Disposals	(52,005)	-	-	-	(52,005)
As at 31st March 2015	<u>3,423,140</u>	<u>-</u>	<u>59,131</u>	<u>-</u>	<u>3,482,271</u>
SOCIAL HOUSING GRANT					
As at 1st April 2014	22,680,027	-	762,344	-	23,442,371
Additions	15,882	-	-	-	15,882
Disposals	(190,395)	-	-	-	(190,395)
Schemes Completed	-	-	-	-	-
As at 31st March 2015	<u>22,505,514</u>	<u>-</u>	<u>762,344</u>	<u>-</u>	<u>23,267,858</u>
OTHER CAPITAL GRANTS					
As at 1st April 2014	530,101	-	-	-	530,101
Additions	-	-	-	-	-
Disposals	(200)	-	-	-	(200)
Schemes Completed	-	-	-	-	-
As at 31st March 2015	<u>529,901</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>529,901</u>
NET BOOK VALUE					
As at 31st March 2015	<u>7,764,826</u>	<u>-</u>	<u>211,488</u>	<u>-</u>	<u>7,976,314</u>
As at 31st March 2014	<u>7,589,478</u>	<u>-</u>	<u>215,872</u>	<u>-</u>	<u>7,805,350</u>

Additions to housing properties includes capitalised development administration costs of £nil (2014 - £nil) and capitalised major repair costs to existing properties of £591,149 (2014 £1,053,001)

All land and housing properties are freehold

Impairment Charges

An impairment review was carried out on housing land and buildings during the year. As a result of this the following impairment charges have been recognised and are included within depreciation charges.

	Housing Properties Held for Letting £	Total £
Impairment Charge	<u>163,217</u>	<u>163,217</u>

This impairment charge has resulted in reduction of surplus and the net book value of housing properties by the amount of the charge

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. TANGIBLE FIXED ASSETS (Continued)

b) Other Tangible Assets

	Community Facility £	Office Furniture & Equipment £	Total £
COST			
As at 1st April 2014	1,448,002	128,887	1,576,889
Additions	-	9,402	9,402
Eliminated on Disposals	-	(8,402)	(8,402)
As at 31st March 2015	<u>1,448,002</u>	<u>129,887</u>	<u>1,577,889</u>
GRANTS RECEIVED			
As at 1st April 2014	410,315	-	410,315
Received in year	-	-	-
Repaid on Disposal	-	-	-
As at 31st March 2015	<u>410,315</u>	<u>-</u>	<u>410,315</u>
AGGREGATE DEPRECIATION			
As at 1st April 2014	186,418	109,095	295,513
Charge for year	20,753	8,829	29,582
Eliminated on disposal	-	(8,402)	(8,402)
As at 31st March 2015	<u>207,171</u>	<u>109,522</u>	<u>316,693</u>
NET BOOK VALUE			
As at 31st March 2015	<u>830,516</u>	<u>20,365</u>	<u>850,881</u>
As at 31st March 2014	<u>851,269</u>	<u>19,792</u>	<u>871,061</u>

12. CAPITAL COMMITMENTS

	2015 £	2014 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	<u>1,588,794</u>	<u>289,468</u>

The above commitments will be financed by the Association's own resources.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. DEBTORS

	2015 £	2014 £
Arrears of Rent & Service Charges	88,881	91,637
Less: Provision for Doubtful Debts	<u>(53,626)</u>	<u>(49,625)</u>
	35,255	42,012
Other Debtors	<u>163,778</u>	<u>465,950</u>
	<u>199,033</u>	<u>507,962</u>

14. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Housing Loans	232,773	226,463
Trade Creditors	127,868	59,488
Rent in Advance	77,116	86,037
Other Taxation and Social Security	12,471	11,666
Amounts Due to Group Undertakings	11,709	12,368
Other Creditors	92,372	74,065
Accruals and Deferred Income	<u>301,078</u>	<u>507,565</u>
	<u>855,387</u>	<u>977,652</u>

At the balance sheet date there were pension contributions outstanding of £11,799 (2014 £9,060)

15. CREDITORS: Amounts falling due after more than one year

	2015 £	2014 £
Housing Loans	<u>5,501,785</u>	<u>5,733,079</u>
Housing Loans are secured by specific charges on the Association's housing properties and are repayable at varying rates of interest in instalments, due as follows:-		
Within one year	232,773	226,463
Between one and two years	239,896	233,206
Between two and five years	766,091	743,370
In five years or more	<u>4,495,798</u>	<u>4,756,503</u>
	5,734,558	5,959,542
Less: Amount shown in Current Liabilities	<u>232,773</u>	<u>226,463</u>
	<u>5,501,785</u>	<u>5,733,079</u>

Creditors include £216,380 (2014 - £370,776) provided for future demolition costs. These costs will be financed from the funds received in 2011/12 from Glasgow Housing Association as part of the second stage transfer.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. CASH FLOW STATEMENT

<i>Reconciliation of operating surplus / (deficit) to net cash inflow from operating activities</i>	2015 £	2014 £
Operating Surplus / (Deficit)	481,116	(116,270)
Depreciation	457,588	767,379
Change in Debtors	(52,007)	143,066
Change in Creditors	(72,315)	16,935
Loss on sale of fixed assets	-	1,042
Share Capital Written Off	(9)	(13)
Net Cash Inflow from Operating Activities	<u>814,373</u>	<u>812,139</u>

<i>Reconciliation of net cash flow to movement in net debt</i>	2015 £	£	2014 £	£
Decrease in Cash	(292,763)		(570,942)	
Cash flow from management of liquid resources	448,903		150,332	
Cash flow from change in debt	224,984		219,179	
Movement in net debt during year		381,124		(201,431)
Net debt at 1st April 2014		(1,343,461)		(1,142,030)
Net debt at 31st March 2015		<u>(962,337)</u>		<u>(1,343,461)</u>

<i>Analysis of changes in net debt</i>	At 01.04.14 £	Cash Flows £	Other Changes £	At 31.03.15 £
Cash at bank and in hand	671,644	(292,763)		378,881
Bank Overdrafts	-	-		-
	<u>671,644</u>	<u>(292,763)</u>		<u>378,881</u>
Liquid Resources	3,944,437	448,903		4,393,340
Debt: Due within one year	(226,463)	224,984	(231,294)	(232,773)
Due after more than one year	(5,733,079)	-	231,294	(5,501,785)
Net Debt	<u>(1,343,461)</u>	<u>381,124</u>	<u>-</u>	<u>(962,337)</u>

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2014	126
Issued in year	2
Cancelled in year	<u>(9)</u>
At 31st March 2015	<u>119</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings.

18. RESERVES

(a) Designated Reserves	Furniture Sinking £	Cyclical Maintenance £	Major Repairs £	Total £
At 1st April 2014	40,585	108,304	782,712	931,601
Transfer to / (from) Revenue Res	<u>5,303</u>	<u>-</u>	<u>-</u>	<u>5,303</u>
At 31st March 2015	<u>45,888</u>	<u>108,304</u>	<u>782,712</u>	<u>936,904</u>

(b) Revenue Reserves	Total £
At 1st April 2014	4,763,242
Surplus / (Deficit) for the year	379,183
Transfer (to) / from Designated Reserves	<u>(5,303)</u>
At 31st March 2015	<u>5,137,122</u>

19. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2015 No.	2014 No.
General Needs - New Build	707	735
- Rehabilitation	109	109
Shared Ownership	<u>25</u>	<u>25</u>
	<u>841</u>	<u>869</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. RELATED PARTY TRANSACTIONS

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

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

- 7 members are tenants of the Association
- 3 members are sharing owners

Those members that are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their positions to their advantage.

Governing Body Members cannot use their position to their advantage. Any transactions between the Association and any entity with which a Governing Body Member has a connection with is made at arm's length and is under normal commercial terms.

21. FIXED ASSET INVESTMENT

Investments in Subsidiaries

The Association has a 100% owned subsidiary Blairtummock Community Hall (after the year end the subsidiary's name changed to Blairtummock & Rogerfield Opportunities). The relationship between the Association and its subsidiary is set out in an independence agreement between both parties.

At 31 March 2015, Blairtummock Community Hall was owed £11,709 (2014: £12,368) by Blairtummock Housing Association Limited

During the year the Association recharged rates and insurance to the charity totalling £2,574 (2014 : £2,499). The charity does not operate a separate bank account and the Association looks after deposits and makes payments on behalf of the charity. As a result at the balance sheet date, Blairtummock Housing Association owed £11,709 (31 March 2014:£12,368) to Blairtummock Community Hall.

The aggregate amount of capital and reserves and the results of Blairtummock Community Hall for the year ended 31st March 2015 were as follows:

	2015	2014
	£	£
Capital & Reserves	<u>15,317</u>	<u>14,757</u>
Profit for the year	<u>560</u>	<u>952</u>

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. NEGATIVE GOODWILL

	2015	2014
	£	£
Balance as at 1st April 2014	1,394,754	1,422,376
Release during the year	(27,622)	(27,622)
As at 31st March 2015	<u>1,367,132</u>	<u>1,394,754</u>

23. CURRENT ASSET INVESTMENTS

	2015	2014
	£	£
Short Term Deposits	<u>4,393,340</u>	<u>3,944,437</u>

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. RETIREMENT BENEFIT OBLIGATIONS

General

Blairtummock Housing Association Limited participates in the Scottish Housing Association Pension Scheme (the scheme).

The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme.

The Scheme offers six benefit structures to employers, namely:

- Final salary with a 1/60th accrual rate.
- Career average revalued earnings with a 1/60th accrual rate
- Career average revalued earnings with a 1/70th accrual rate
- Career average revalued earnings with a 1/80th accrual rate
- Career average revalued earnings with a 1/120th accrual rate, contracted in
- Defined Contribution

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

Blairtummock Housing Association Limited has elected to operate the defined contribution structure from 1 April 2014.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market values. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period Blairtummock Housing Association Limited paid contributions at the rate of 10.69% of pensionable salaries to the defined contribution scheme. Member contributions were 5%.

As at the balance sheet date there were 13 active members of the Scheme employed by Blairtummock Housing Association Limited. The annual pensionable payroll in respect of these members was £394,230 to the defined contribution scheme. Blairtummock Housing Association Limited continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers as the scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. RETIREMENT BENEFIT OBLIGATIONS (Continued)

The last formal valuation of the Scheme was performed as at 30th September 2012 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £394m. The valuation revealed a shortfall of assets compared with the value of liabilities of £304m (equivalent to a past service funding level of 56.4%).

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30th September 2010. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £335 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £162 million, equivalent to a past service funding level of 67.4%.

Financial Assumptions

The key financial assumptions underlying the valuation as at 30th September 2012 were as follows:

	% p.a.
- Investment return pre-retirement	5.3
- Investment return post-retirement - non pensioners	3.4
- Investment return post-retirement - pensioners	3.4
- Rate of Salary increases	4.1
- Rate of price inflation:	
RPI	2.6
CPI	2.0

The valuation was carried out using the SAPS (S1PA) All pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement for non-pensioners and pensioners.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. RETIREMENT BENEFIT OBLIGATIONS (Continued)

Valuation Results

The long-term joint contribution rates required from employers and members to meet the cost of future benefit accrual were assessed as:

<i>Benefit Structure</i>	<i>Long-term joint contribution rate (% of pensionable)</i>
Final salary - 60ths	24.6
Career average 60ths	22.4
Career average 70ths	19.2
Career average 80ths	16.9
Career average 120ths	11.4

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Trustees have recently supplied Blairtummock Housing Association Limited with an updated contribution figure to the past service deficit. From 1 April 2015 Blairtummock Housing Association Limited will be required to pay £80,183 per annum as a contribution to the past service deficit. This will represent an increase of 3% in Blairtummock Housing Association Limited's contribution to the past service deficit. The deficit contribution will increase each April by 3%.

As a result of Pension Scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any "orphan" liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.