

# **Blairtummock Housing Association**

**Report and Financial Statements**

**For the year ended 31st March 2016**

**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

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## MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS YEAR ENDED 31st MARCH 2016

### MANAGEMENT COMMITTEE

Mary Catherine Mulligan	Chairperson
Margaret Pirrie	Vice Chairperson
Lisa Hotchkiss	Secretary
Catherine Black	Treasurer
Patricia Aitken	
Helen Casey	resigned 3rd September 2015
Maureen Loughran	
Elizabeth McGill	
Tracey Slaven	
Andrea McLachlan	appointed 1st October 2015
Yvonne Crockett	resigned 3rd September 2015
Gerard McGinty	
John Wilkie	

### EXECUTIVE OFFICERS

Jacqui O'Rourke	Director
Susan Crookston	Director - Retired 30 June 2016

### 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	Kelly & Co
7 West George Street	184 Abercrombie Street
Glasgow	Glasgow
G2 1BA	G40 2RZ

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2016

The Management Committee presents its report and the Financial Statements for the year ended 31st March 2016.

### **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.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2016

### Review of Business and Future Developments (Contd.)

#### The Future

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 year. During the year ended 31<sup>st</sup> March 2016 we have spent £888k on the properties in the Rogerfield area.

We completed our demolition programme of 120 properties in Rogerfield earlier than our original programme. We continually monitor and review our housing management and maintenance services to ensure that all stakeholders receive an efficient and effective services.

Our second annual Tenant Scrutiny event was held and as well as updating tenants on investment, planned and cyclical maintenance we discussed policies, proposals and our performance. This event also presented tenants with an opportunity of commenting on tenant/landlord communication and advising on their preferred methods of communication.

We issued tenants with our first annual report on outcomes in relation to the Scottish Housing Charter and other performance information.

One of the most significant events for the Association in the past year was the decision of the Management committee to change the subsidiary to Blairtummock and Rogerfield Opportunities and employ Estate Caretakers to carry out both the Close Cleaning and Grounds Maintenance Contract.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2016

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### 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 and Community Benefit 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 2014 and the Determination of Accounting Requirements - 2015. 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.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2016

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### 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 control procedures are in place and are being followed and that a general 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 2016. No weaknesses were found in the 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.

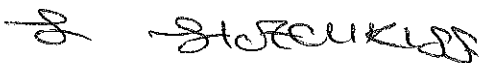
### Donations

During the year the Association made charitable donations amounting to £310 (2015 £300).

### Auditors

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

By order of the Management Committee



LISA HOTCHKISS

Secretary

11 August 2016

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE MANAGEMENT COMMITTEE OF  
BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED  
ON CORPORATE GOVERNANCE MATTERS



In addition to our audit of the Financial Statements, we have reviewed your statement on Page 5 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in 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 Auditing Practices Board. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

## Opinion

In our opinion the Statement on Internal Financial Control on page 5 has provided the disclosures required by the relevant Regulatory Standards with the publication "Our Regulatory Framework" and associated Regulatory Advice Notes 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 the relevant Regulatory Standards in respect of internal financial controls 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  
11 August 2016



We have audited the financial statements of Blairtummock Housing Association Limited for the year ended 31st March 2016 which comprise a statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and accounting standard of the United Kingdom

This report is made solely to the Association's members, as a body, in accordance with 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 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. 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 2016 and of its surplus 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 2014 and the Determination of Accounting Requirements 2015.

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.
- 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.

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

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

- the Statement of Comprehensive Income to which our report relates, and the Statement of Financial Position 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  
11 August 2016

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2016

	Notes	2016		2015	
		£	£	£	£
REVENUE	2.		3,507,578		3,356,210
Operating Costs	2.		(3,008,949)		(2,851,705)
OPERATING SURPLUS	9.		498,629		504,505
(Loss) / Gain On Sale Of Housing Stock	7.	(175)		39,127	
Release of Negative Goodwill	23.	27,622		27,622	
Interest Receivable and Other Income		33,576		37,548	
Interest Payable and Similar Charges	8.	(200,054)		(206,230)	
Other Finance Charges	11.	(31,830)		(24,554)	
			(170,861)		(126,487)
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION			327,768		378,018

All amounts relate to continuing operations. Comparative figures have been restated to reflect the adoption of the Housing SORP 2014 and FRS102.

The notes on pages 13 to 27 form part of these financial statements.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2016

		2016	2015
<b>NON-CURRENT ASSETS</b>			
Housing Properties - Depreciated Cost	12.(a)	25,830,614	25,789,293
Other Non Current Assets	12.(b)	1,142,291	1,166,926
Negative Goodwill	23	26,972,905 (1,339,510)	26,956,219 (1,367,132)
RECEIVABLES: Amounts falling due after more than one year	14.	15,000	-
<b>CURRENT ASSETS</b>			
Receivables	15.	150,205	199,033
Investments	27	3,525,557	4,393,340
Cash at bank and in hand		468,404	378,881
CREDITORS: Amounts falling due within one year	16.	4,144,166 (761,524)	4,971,254 (936,632)
NET CURRENT ASSETS		3,382,642	4,034,622
TOTAL ASSETS LESS CURRENT LIABILITIES		29,031,038	29,623,710
CREDITORS: Amounts falling due after more than one year	17.	(5,690,825)	(5,977,342)
DEFERRED INCOME Social Housing Grants	19.	(14,457,954) (14,457,954)	(15,091,878) (15,091,878)
NET ASSETS		8,882,259	8,554,490
<b>EQUITY</b>			
Share Capital	20.	120	119
Revenue Reserves		8,882,139	8,554,371
		8,882,259	8,554,490

Comparative figures have been restated to reflect the adoption of the Housing SORP 2014 and FRS102.

The Financial Statements were approved by the Management Committee and authorised for issue and signed on their behalf on 11 August 2016.

Chairperson

Mary Mulligan

Vice-Chairperson

M Purnell

Secretary

S. Stoeness

The notes on pages 13 to 27 form part of these financial statements.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2016

	Notes	2016	2015
Net Cash Inflow from Operating Activities	18.	264,126	749,685
<b>Investing Activities</b>			
Acquisition and Construction of Properties		(696,102)	(645,481)
Purchase of Other Fixed Assets		(15,733)	(9,402)
Social Housing Grant Received		9,219	15,882
Other Grants Received		-	302,340
Changes on short term deposits with banks		867,783	(448,903)
Proceeds on Disposal of Properties		58,490	69,756
<b>Net Cash Inflow / (Outflow) from Investing Activities</b>		<b>223,657</b>	<b>(715,808)</b>
<b>Financing Activities</b>			
Interest Received on Cash and Cash Equivalents		33,348	39,884
Interest Paid on Loans		(200,054)	(206,230)
Loan Principal Repayments		(231,560)	(224,984)
Share Capital Issued		4	2
<b>Net Cash Outflow from Financing</b>		<b>(398,262)</b>	<b>(391,328)</b>
<b>Increase / (decrease) in Cash</b>		<b>89,521</b>	<b>(357,451)</b>
<b>Opening Cash &amp; Cash Equivalents</b>		<b>378,881</b>	<b>736,332</b>
<b>Closing Cash &amp; Cash Equivalents</b>		<b>468,402</b>	<b>378,881</b>
<b>Cash and Cash equivalents as at 31 March 2016.</b>			
Cash		468,404	378,881
Bank overdraft		-	-
		<b>468,404</b>	<b>378,881</b>

The notes on pages 13 to 27 form part of these financial statements.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## STATEMENT OF CHANGES IN EQUITY

31st MARCH 2016

	Share Capital	Reserves	Reserves	Total
	£	£	£	£
Balance as at 1st April 2014	126	8,176,353		8,176,479
Issue of Shares	2			2
Cancellation of Shares	(9)			(9)
Adjustment from transition to FRS 102				
Surplus for Year		378,018		378,018
<b>Balance as at 31st March 2015</b>	<b>119</b>	<b>8,554,371</b>		<b>8,554,490</b>
Balance as at 1st April 2015	119	8,554,371		8,554,490
Issue of Shares	4			4
Cancellation of Shares	(3)			(3)
Surplus for Year		327,768		327,768
<b>Balance as at 31st March 2016</b>	<b>120</b>	<b>8,882,139</b>		<b>8,882,259</b>

The reserves opening balance has been restated to reflect the change in accounting requirements under the Housing SORP 2014 and FRS102.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

## NOTES TO THE FINANCIAL STATEMENTS

### 1 PRINCIPAL ACCOUNTING POLICIES

#### Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for social housing providers 2014. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2015.

#### 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.

#### Revenue

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised with expenditure is incurred as this is considered to be the point when the service has been performed and the revenue recognition criteria is met.

Government Grants are released to income over the expected useful life of of the asset to which it relates.

#### Retirement Benefits

The Association participates in the Scottish Housing Association Defined Benefits Pension Scheme and 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.

The Association accounts for amounts that it has agreed to pay towards the Scheme deficit in accordance with paragraph 28.11A of FRS 102. The present value of this liability has been recognised in the Statement of Financial Position. The discount rate applied to this obligation is that of a yield rate for the high quality corporate bond.

#### Valuation Of Housing Properties

Housing Properties are stated at cost 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 12. 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
Structures	50 years

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

### Depreciation And Impairment Of Other Non-Current Assets

Non-Current 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 non-current assets are reviewed for impairment at the end of each reporting period.

### Social Housing Grant And Other Grants In Advance/Arrears

Social Housing Grants and Other Capital Grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which it relates.

Social Housing Grant attributed to individual components is written off to the Statement of comprehensive Income when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Statement of Comprehensive Income 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 non-current asset disposals with the gain or loss on disposal shown in the Statement of Comprehensive Income.

Disposals of housing property under the Right to Buy scheme are treated as a non-current asset disposals and any gain and loss on disposal accounted for in the Statement of Comprehensive Income.

Disposals under shared equity schemes are accounted for in the Statement of Comprehensive Income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

### Estimation Uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Committee to exercise judgement in applying Blairtummock's Accounting Policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, is disclosed below:

#### *Rent Arrears - Bad Debt Provision*

The Association assesses the recoverability of rent arrears through a detailed assessment process which considers: tenant payment history, arrangements in place, and court action.

#### *Life Cycle of Components*

The Association estimates the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

#### *Useful life of properties, plant and equipment*

The Association assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this.

#### *Costs of shared ownership*

The Association allocates costs to shared ownership properties on an percentage basis split across the number of properties the Association owns.

#### *Pension Liability*

In March 2016 the Association received details from the Pension Trust of the provisional valuation of the pension scheme at September 2015 and the Pension Trust's estimate of the Association's future past service deficit contributions. The Association has used this to provide the basis of the pension past service deficit liability in the financial statements. The Board feel this is the best available estimate of the past service liability.



# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

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## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016 NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

#### Leases/Leased Assets

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated over their useful lives.

#### 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.

#### Negative Goodwill

Negative goodwill created through acquisition is written off to the Statement of Comprehensive Income as the non-cash assets acquired are depreciated or sold.

#### Key Judgements made in the application of Accounting Policies

##### *a) Exemptions taken in the transition to FRS 102*

The Association has considered and taken advantage of the following exemptions in its first time application of FRS 102:

- i) The Association has not revisited previous accounting estimates
- ii) The Association has not revisited the accounting of previous business combinations

##### *b) The Categorisation of Housing Properties*

In the judgement of the Management Committee the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.

##### *c) Identification of cash generating units*

The Association considers its cash-generating units to be the schemes in which it manages its housing property for asset management purposes.

#### Financial Instruments - Basic

The Association recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard

The Association's debt instruments are measured at amortised cost using the effective interest rate method

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Notes	2016			2015		
	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities	3,182,959	1,929,273	1,253,686	3,114,260	2,428,256	686,004
Other Activities	324,619	1,079,676	(755,057)	241,950	423,449	(181,499)
<b>Total</b>	<b>3,507,578</b>	<b>3,008,949</b>	<b>498,629</b>	<b>3,356,210</b>	<b>2,851,705</b>	<b>504,505</b>

## 3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Supported Housing £	Shared ownership £	2016 Total £	Restated 2015 Total £
<b>Revenue from Lettings</b>					
Rent Receivable Net of Service Charges	2,394,952	39,256	44,083	2,478,291	2,453,584
Service Charges	90,450	538	1,085	92,073	95,193
<b>Gross income from rent and service charges</b>	<b>2,485,402</b>	<b>39,794</b>	<b>45,168</b>	<b>2,570,364</b>	<b>2,548,777</b>
Less: Rent losses from voids	2,921	-	-	2,921	2,127
<b>Net Rents Receivable</b>	<b>2,482,481</b>	<b>39,794</b>	<b>45,168</b>	<b>2,567,443</b>	<b>2,546,650</b>
Grants released from deferred income	614,271	-	-	614,271	567,610
Revenue grants from Scottish Ministers	-	-	-	-	-
Other revenue grants	1,245	-	-	1,245	-
<b>Total turnover from affordable letting activities</b>	<b>3,097,997</b>	<b>39,794</b>	<b>45,168</b>	<b>3,182,959</b>	<b>3,114,260</b>
<b>Expenditure on affordable letting activities</b>					
Management and maintenance administration costs	763,244	-	-	763,244	689,501
Service Costs	117,656	538	-	118,194	128,255
Planned and cyclical maintenance, including major repairs	226,149	-	-	226,149	339,570
Reactive maintenance costs	206,073	-	-	206,073	235,078
Bad Debts - rents and service charges	19,497	-	-	19,497	33,898
Depreciation of affordable let properties	744,041	-	-	744,041	838,737
Impairment of affordable letting activities	(147,925)	-	-	(147,925)	163,217
<b>Operating costs of affordable letting activities</b>	<b>1,928,735</b>	<b>538</b>	<b>-</b>	<b>1,929,273</b>	<b>2,428,256</b>
<b>Operating surplus on affordable letting activities</b>	<b>1,169,262</b>	<b>39,256</b>	<b>45,168</b>	<b>1,253,686</b>	<b>686,004</b>
<b>2015</b>	<b>606,173</b>	<b>38,978</b>	<b>40,853</b>		

The disclosure of turnover, operating costs and operating surplus from affordable letting activities has been restated to reflect the requirements of the Housing SORP 2014. Comparative figures have been restated on the same basis.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMIT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	£	£	£	£	£	£	£	£	£	£
Wider Role Activities	223,624	14,660	-	238,284	-	257,862	(19,578)	(25,865)		
Investment property activities	-	-	1,046	1,046	-	-	1,046	-		
Factoring	-	-	9,631	9,631	-	9,932	(301)	115		
Support Activities	-	-	-	-	-	45,888	(45,888)	5,305		
Other Activities	-	-	-	-	-	7,891	(7,891)	(6,722)		
Development and construction of property activities	-	-	-	-	-	702,533	(702,533)	(185,069)		
Creche	-	-	13,197	13,197	-	5,697	7,500	9,286		
Other Income	-	-	8,402	8,402	-	-	8,402	9,020		
Service - Other Owners	-	-	54,059	54,059	-	49,873	4,186	12,431		
<b>Total From Other Activities</b>	<b>223,624</b>	<b>14,660</b>	<b>86,335</b>	<b>324,619</b>	<b>-</b>	<b>1,079,676</b>	<b>(755,057)</b>	<b>(181,499)</b>		
2015	-	187,203	54,747	241,950	-	423,449	(181,499)			

The disclosure of turnover, operating costs and operating surplus from affordable letting activities has been restated to reflect the requirements of the Housing SORP 2014. Comparative figures have been restated on the same basis.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 5. OFFICERS' EMOLUMENTS

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

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

Compensation payable to Officers for loss of Office

No Pension contributions were made to Officers receiving greater than £60,000

Emoluments payable to Chief Executive (excluding pension contributions)

Total Compensation paid to key management personnel

	2016	2015
	£	£
	2,569	-
	38,094	37,198
	227,812	251,709

## 6. EMPLOYEE INFORMATION

The average monthly number of full time equivalent persons employed during the year was

The average total number of Employees employed during the year was

Staff Costs were:

Wages and Salaries

Social Security Costs

Other Pension Costs

Temporary, Agency and Seconded Staff

	2016	2015
	No.	No.
	14	15
	15	15
	£	£
	455,667	492,820
	41,356	47,699
	45,664	45,533
	49,769	3,086
	592,456	589,138

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 7. (LOSS) / GAIN ON SALE OF HOUSING STOCK

	2016	2015
Sales Proceeds	£	£
Cost of Sales	58,490	69,756
	<u>58,665</u>	<u>30,629</u>
(Loss) / Gain On Sale Of Housing Stock	(175)	39,127

## 8. INTEREST PAYABLE & SIMILAR CHARGES

	2016	2015
On Bank Loans & Overdrafts	£	£
	200,054	206,230
	<u>200,054</u>	<u>206,230</u>

## 9. SURPLUS FOR YEAR

	2016	2015
Surplus is stated after charging:-	£	£
Depreciation - Tangible Owned Fixed Assets	784,117	868,319
Auditors' Remuneration - Audit Services	8,093	8,835
Auditors' Remuneration - Other Services	2,166	1,247
Loss/(Gain) on disposal of fixed assets	408	(39,127)

## 10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

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

## 11. OTHER FINANCE INCOME / CHARGES

	2016	2015
Unwinding of Discounted Liabilities	£	£
	31,830	24,554
	<u>31,830</u>	<u>24,554</u>

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 12 NON-CURRENT 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 £
<b>COST</b>					
As at 1st April 2015	34,223,381	-	1,032,963	-	35,256,344
Additions	696,102	-	-	-	696,102
Disposals	(123,005)	-	-	-	(123,005)
Schemes Completed	-	-	-	-	-
As at 31st March 2016	<u>34,796,478</u>	<u>-</u>	<u>1,032,963</u>	<u>-</u>	<u>35,829,441</u>
<b>DEPRECIATION</b>					
As at 1st April 2015	9,198,480	-	268,571	-	9,467,051
Charge for Year	557,605	-	20,659	-	578,264
Disposals	(46,487)	-	-	-	(46,487)
As at 31st March 2016	<u>9,709,597</u>	<u>-</u>	<u>289,230</u>	<u>-</u>	<u>9,998,827</u>
<b>NET BOOK VALUE</b>					
As at 31st March 2016	<u>25,086,881</u>	<u>-</u>	<u>743,733</u>	<u>-</u>	<u>25,830,614</u>
As at 31st March 2015	<u>25,024,901</u>	<u>-</u>	<u>764,392</u>	<u>-</u>	<u>25,789,293</u>

Additions to housing properties includes capitalised development administration costs of £nil (2015 - £nil) and capitalised major repair costs to existing properties of £696,102 (2015 £591,149)

All land and housing properties are freehold.

Total expenditure on existing properties in the year amounted to £1,252,149. The amount capitalised is £696,102 with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £696,102 and improvement of £nil.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 12 NON CURRENT ASSETS (Continued)

b) Other Tangible Assets			
	Office Premises £	Furniture & Equipment £	Total £
<b>COST</b>			
As at 1st April 2015	1,448,002	129,887	1,577,889
Additions	-	15,733	15,733
Eliminated on Disposals	-	(5,907)	(5,907)
As at 31st March 2016	1,448,002	139,713	1,587,715
<b>AGGREGATE DEPRECIATION</b>			
As at 1st April 2015	301,441	109,522	410,963
Charge for year	30,144	9,932	40,076
Eliminated on disposal	-	(5,615)	(5,615)
As at 31st March 2016	331,585	113,839	445,424
<b>NET BOOK VALUE</b>			
As at 31st March 2016	1,116,417	25,874	1,142,291
As at 31st March 2015	1,146,561	20,365	1,166,926

## 12 CAPITAL COMMITMENTS

	2016 £	2015 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	295,192	1,588,794

The above commitments will be financed by a mixture of public grant, private finance and the Association's own resources.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 14 RECEIVABLES AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Loan to subsidiary	15,000	-

## 15 RECEIVABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Arrears of Rent & Service Charges	102,223	88,881
Less: Provision for Doubtful Debts	(46,040)	(53,626)
Other Receivables	56,183	35,255
	94,022	163,778
	<u>150,205</u>	<u>199,033</u>

## 16 PAYABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Housing Loans	239,717	232,773
Trade Payables	68,597	127,868
Rent In Advance	60,195	77,116
Other Taxation and Social Security	99,257	12,472
Amounts Due to Group Undertakings	5,380	11,709
Other Payables	137,756	92,372
Liability for Past Service Contributions	79,844	77,510
Accruals and Deferred Income	70,778	304,812
	<u>761,524</u>	<u>936,632</u>

At the balance sheet date there were pension contributions outstanding of £11,681 (2015 £11,799)

## 17 PAYABLES AMOUNTS FALLING DUE AFTER ONE YEAR

	2016	2015
	£	£
Liability for Past Service Contributions	427,544	475,557
Housing Loans	5,263,281	5,501,785
	<u>5,690,825</u>	<u>5,977,342</u>
<i>Housing Loans</i>		
Amounts due within one year	239,717	232,773
Amounts due in one year or more but less than two years	247,222	239,896
Amounts due in two years or more but less than five years	790,576	766,091
Amounts due in more than five years	4,225,483	4,495,798
	5,502,998	5,734,558
Less: Amount shown in Current Liabilities	239,717	232,773
	<u>5,263,281</u>	<u>5,501,785</u>
<i>Liability for Past Service Contributions</i>		
Amounts due within one year	79,844	77,510
Amounts due in one year or more but less than two years	89,853	79,835
Amounts due in two years or more but less than five years	286,058	277,727
Amounts due in more than five years	51,633	117,995
	<u>507,388</u>	<u>553,067</u>

The Association has a number of long-term housing loans the terms and conditions of which are as follows:

Nationwide	Standard Security over 191 properties	Libor+0.45%	2035 Variable
Nationwide	Standard Security over 191 - same as above properties	Libor+0.45%	2036 Variable
Nationwide	Standard Security over 191 - same as above properties	Libor+0.45%	2031 Variable
Nationwide	Standard Security over 64 properties	2.98%	2032 Fixed
Clydesdale	Standard Security over 83 properties	6.32%	2029 Fixed
Clydesdale	Standard Security over Office and community centre properties	6.01%	2029 Fixed
Clydesdale	Standard Security over Office and community centre properties	5.76%	2029 Fixed
Clydesdale	Standard Security over 173 properties	5.41%	2040 Fixed

All of the Association's bank borrowings are repayable in a monthly basis with the principal being amortised over the term of the loans.

The liability for the past service contributions has been accounted for in accordance with FRS 102 para 28.13A and represents the present value of the contributions payable. The cash out flows have been discounted at a rate of 3.58% (2015 - 2.64%)



# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 18 STATEMENT OF CASH FLOWS

<i>Reconciliation of operating surplus to balance as at 31st march 2016</i>	2016 £	2015 £
Operating Surplus	498,629	504,505
Depreciation	636,192	868,319
Amortisation of Capital Grants	(643,143)	(428,251)
Change in debtors	34,055	(52,007)
Change in creditors	(230,065)	(118,318)
Loss/(Gain) on disposal of fixed assets	292	-
Unwinding of Discount on Pension Liability	(31,830)	(24,554)
Share Capital Written Off	(3)	(9)
Balance as at 31st March 2016	<u>264,126</u>	<u>749,685</u>

## 19 DEFERRED INCOME

<i>Social Housing Grants</i>	2016 £	2015 £
Balance as at 1st April 2015	15,091,878	15,834,201
Additions in year	9,219	-
Released / Repaid as the result of property disposal	(30,034)	(174,713)
Amortisation in Year	(613,109)	(567,610)
Balance as at 31st March 2016	<u>14,457,954</u>	<u>15,091,878</u>

This is expected to be released to the Statement of Comprehensive Income in the following years:

	2,016 £	2,015 £
Amounts due within one year	613,109	567,610
Amounts due in one year or more	<u>13,844,845</u>	<u>14,524,268</u>
	<u>14,457,954</u>	<u>15,091,878</u>

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 20. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2015	119
Issued in year	4
Cancelled in year	(3)
At 31st March 2016	<u>120</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.

## 21. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2016	2015
	No.	No.
General Needs - New Build	618	707
General Needs - Rehabilitation	109	109
Shared Ownership	25	25
Supported Housing	-	-
	<u>752</u>	<u>841</u>

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 22. RELATED PARTY TRANSACTIONS

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 102

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.

Transactions with governing body members (and their close family) were as follows:

Rent Received from Tenants on the Committee and close family	£ 49,633
--	-------------

At the year end total rent arrears owed by the tenant members of the Committee and close family were £762

## 23. NEGATIVE GOODWILL

	2016
	£
Balance as at 1st April 2015	1,367,132
Release during the year	(27,622)
As at 31st March 2016	<u>1,339,510</u>

## 24. DETAILS OF ASSOCIATION

The Association is a Registered Society registered with the Financial Conduct Authority and is domiciled in Scotland.

The Association's principle place of business is 45 Boyndie Street, Glasgow, G34 9JQ.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in Glasgow.

## 26. GOVERNING BODY MEMBER EMOLUMENTS

Board members received £1,421 in the year by way of reimbursement of expenses. (2015 - £1,258). No remuneration is paid to Board members in respect of their duties in the Association.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 27 INVESTMENTS

	2016	2,015
	£	£
Investments in Subsidiaries		
As at 31st March 2016 & 31st March 2015	1	1

In the opinion of the Management Committee the aggregate value of the assets of the subsidiary is not less than the aggregate of the amounts at which those assets are stated in the Association's balance sheet.

The Association has a 100% owned subsidiary Blairtummock & Rogerfield Opportunities. The relationship between the Association and its subsidiary is set out in an independence agreement between both parties.

During the year the Association recharged rates and insurance to the charity totalling £2,651 (2015 : £2,574). At the 31 March 2016 , Blairtummock Housing Association owed £5,380 (2015 : £11,709) to Blairtummock & Rogerfield Opportunities. During the year the Association lent Blairtummock & Rogerfield Opportunities £15,000, which is repayable after more than one year. The Association provides the charity with use of the community hall free of charge.

The aggregate amount of capital and reserves and the results of Blairtummock & Rogerfield Opportunities for the year ended 31st March 2016 were as follows:

	2016	2015
	£	£
Capital & Reserves	10,992	15,317
Loss for the year	(4,324)	560

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 28 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.

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 FRS102 represents the employer contribution payable.

The last provisional valuation of the Scheme was performed as at 30th September 2015 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £612m. The valuation revealed a shortfall of assets compared with the value of liabilities of £198m (equivalent to a past service funding level of 76%).

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal. Then the liability of the withdrawing employer is re-apportioned amongst the remaining employer. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

Based on the provisional valuation the Scheme has provided an estimate of the contributions required to fund the past service deficit. Under the new proposals the Association will make payments of £89,853 from 1 April 2017. Payments are expected to increase by 3% per annum and continue until February 2022. Once finalised the proposals will replace the original plan which was expected to have lasted 10 years.

All employer's in the scheme have entered into an agreement to make additional contributions to fund the Scheme's past service deficit. This obligation has been recognised in terms of Para 28.11A of Financial Reporting Standard 102. At the balance sheet date the present value of this obligation was £493,867 (2015 - £553,067). This was calculated by reference to the terms of the agreement and discounting the liability using the yield rate of high quality corporate bond with a similar term. The discount rate used was 2.64%.

The Association made payments totalling £77510 (2015: £75252) to the pension scheme during the year.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 28. TRANSITION TO THE FINANCIAL REPORTING STANDARD

In accordance with the Statement of Recommended Practice the Association has adopted the Financial Reporting Standard for UK & Ireland (FRS 102) for the accounting period beginning on 1 April 2015. As a result of this the comparative figures for the period ending 31 March 2015 have been restated in accordance with FRS 102.

The transition to FRS 102 has resulted in a number of changes in accounting policies compared with those used previously.

The following describes the differences between the assets and liabilities and income and expenditure as presented previously, and the amounts as restated to comply with the accounting policies selected in accordance with FRS 102 for the reporting period ending 31 March 2016.

Reconciliation of Capital & Reserves						
At 31 March 2015			At 31 March 2014			
Note	As previously Stated	Effect of Transition	As Restated	As previously Stated	Effect of Transition	As Restated
	£	£	£	£	£	£
Non Current Assets (i)	8,827,195	18,129,024	26,956,219	8,676,411	18,820,048	27,496,459
Investment	-	1	1	-	-	-
Debtors due after more than a year	-	-	-	-	-	-
Negative Goodwill	(1,367,132)	-	(1,367,132)	(1,394,754)	-	(1,394,754)
Current Assets	4,971,254	-	4,971,254	5,124,043	-	5,124,043
Current Liabilities (ii)	(855,387)	(81,245)	(936,632)	(977,652)	(80,694)	(1,058,346)
Non Current Liabilities (ii)	(5,501,785)	(475,557)	(5,977,342)	(5,733,079)	(423,643)	(6,156,722)
Deferred Income (i)	-	(15,091,878)	(15,091,878)	-	(15,834,201)	(15,834,201)
Capital & Reserves	6,074,145	2,480,345	8,554,490	5,694,969	2,481,510	8,176,479
	(6,074,145)	(2,480,345)	(8,554,490)	(5,694,969)	(2,481,510)	(8,176,479)

Reconciliation of Retained Surpluses for the Year			
Year Ended 31 March 2015			
Note	As previously Stated	Effect of Transition	As Restated
	£	£	£
Revenue (i)	2,788,600	567,610	3,356,210
Operating Costs (i) & (ii)	(2,307,484)	(544,221)	(2,851,705)
Other Income	66,749	-	66,749
Exceptional item	-	-	-
Interest Receivable	37,548	-	37,548
Interest Payable	(206,230)	-	(206,230)
Change in Fair Value of Financial Inst.	-	-	-
Other Finance Income / Costs	-	(24,554)	(24,554)
Surplus	379,183	(1,165)	378,018
	379,183	(1,165)	378,018

### Notes to the Reconciliations

(i) - Social Housing Grants and Other grants have been accounted for in accordance with the SORP which has meant that grants are no longer deducted from the cost of the capital asset, but are instead treated as deferred income which is recognised in income over the useful life of the related asset.

(ii) - As the Association has entered into an agreement to make contributions to fund a deficit in the SHAPS pension scheme this has been recognised as a liability in accordance with the FRS. This liability was not previously recognised and payments made under this agreement were written off as operating costs.

(iii) - The liability recognised as a result of (ii) above has been discounted to its present value. The unwinding of the discount is recognised as a finance cost in accordance with FRS 102 para 28.13A