



Alexander Sloan
Accountants and Business Advisers

Blairtummock Housing Association

Report and Financial Statements

For the year ended 31st March 2017

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 2017

MANAGEMENT COMMITTEE

Margaret Pirrie	Chairperson
Mary Catherine Mulligan	Secretary
Catherine Black	Treasurer
Patricia Aitken	
Maureen Loughran	Resigned 1 September 2016
Elizabeth McGill	
Tracy Slaven	
Yvonne Crockett	
John Wilkie	
Andrea McLachlan	Casual Vacancy
Lisa Hotchkiss	

EXECUTIVE OFFICERS

Jacqui O'Rourke	Director
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REGISTERED OFFICE

45 Boyndie Street
Glasgow
G34 9JL

AUDITORS

Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow
G2 7HF

INTERNAL AUDITORS

Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow

BANKERS

Clydesdale Bank plc
47 Main Street
Baillieston
Glasgow
G69 6SQ

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2017

The Management Committee presents its report and the Financial Statements for the year ended 31st March 2017.

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 year to the 31 March 2017 was a period of significant change for the Association with the retirement of the first member of staff ever to be appointed by the Association back in 1990. This resulted in a review and a change to a few of the positions within the Association.

The Management Committee retains close control over the financial affairs of the Association and consistently reviews the medium and long term financial projections to ensure the viability of the Association. Operating costs are closely monitored by both staff and committee and contracts reviewed to ensure we are achieving value for money.

The Management Committee also ensures that the covenants which were agreed with lenders are also monitored and complied with.

The Association is committed to delivering a programme of planned and cyclical maintenance and will continue to review our 30 year plan to ensure that our homes are maintained to a high standard.

The Management Committee has and will continue to comply with all Scottish Housing Regulator requirements.

The Management Committee are satisfied with the financial affairs of Blairtummock Housing Association and the surplus for the year is £371,445 and net assets now stand at £8,901,589.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2017

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 members of 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 2017

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 2017. 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 £550 (2015: £560).

Auditors

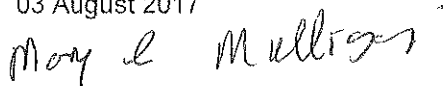
A resolution to re-appoint the Auditors, Alexander Sloan, Chartered Accountants, will be proposed at the Annual General Meeting.

By order of the Management Committee

MARY CATHERINE MULLIGAN

Secretary

03 August 2017



BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE MEMBERS 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.

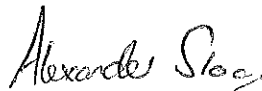
Basis of Opinion

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 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 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
Statutory Auditors
GLASGOW
03 August 2017



Alexander Sloan
Accountants and Business Advisors



We have audited the financial statements of Blairtummock Housing Association Limited for the year ended 31st March 2017 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 standards 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 Financial Reporting Council's (FRC) 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 for 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 2017 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:

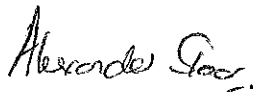
- the information given in the Management Committee's Report is inconsistent with the financial statements.
- proper books of account have not been kept by the Association in accordance with the requirements of the legislation.
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation.

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

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
03 August 2017



Alexander Sloan
Accountants and Business Advisers

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2017

	Notes	2017		RESTATED 2016	
		£	£	£	£
REVENUE	2.		3,392,427		3,507,578
Operating Costs	2.		(2,862,854)		(3,008,949)
OPERATING SURPLUS	9.		529,573		498,629
Gain / (Loss) On Sale Of Housing Stock	7.	8,251		(175)	
Release of Negative Goodwill	23.	27,622		27,622	
Interest Receivable and Other Income		28,016		33,576	
Interest Payable and Similar Charges	8.	(192,962)		(200,054)	
Other Finance Charges	11.	(29,055)		(31,830)	
			(158,128)		(170,861)
TOTAL COMPREHENSIVE INCOME			371,445		327,768

The notes on pages 12 to 27 form part of these financial statements.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

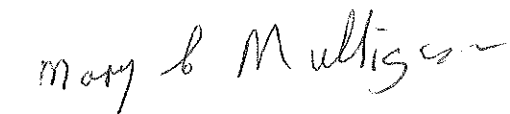
STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2017

	Notes	2017		RESTATED 2016	
		£	£	£	£
NON-CURRENT ASSETS					
Housing Properties - Depreciated Cost	12.(a)		24,447,519		25,303,742
Other Non Current Assets	12.(c)		1,108,744		1,142,291
			<u>25,556,263</u>		<u>26,446,033</u>
Negative Goodwill	23.		(1,311,888)		(1,339,510)
RECEIVABLES: Amounts falling due after more than one year	14.		7,500		15,000
CURRENT ASSETS					
Receivables	15.	164,089		150,206	
Investments	26.	3,752,959		3,525,557	
Cash at bank and in hand		85,859		468,404	
			<u>4,002,907</u>		<u>4,144,167</u>
CREDITORS: Amounts falling due within one year	16.	(644,535)		(761,524)	
NET CURRENT ASSETS			<u>3,358,372</u>		<u>3,382,643</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			27,610,247		28,504,166
CREDITORS: Amounts falling due after more than one year	17.		(5,329,961)		(5,690,825)
DEFERRED INCOME					
Social Housing Grants	19.	(13,378,697)		(14,283,191)	
			<u>(13,378,697)</u>		<u>(14,283,191)</u>
NET ASSETS			<u><u>8,901,589</u></u>		<u><u>8,530,150</u></u>
EQUITY					
Share Capital	20.		114		120
Revenue Reserves			8,901,475		8,530,030
			<u>8,901,589</u>		<u>8,530,150</u>

The Financial Statements were approved by the Management Committee and authorised for issue and signed on their behalf on 03 August 2017.


Chairperson


Treasurer


Secretary

The notes on pages 12 to 27 form part of these financial statements.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

31st MARCH 2017

	Notes	2017	RESTATED 2016
		£	£
Net Cash Inflow from Operating Activities	18.	521,627	264,128
Investing Activities			
Acquisition and Construction of Properties	(359,353)	(696,102)	
Purchase of Other Fixed Assets	(9,726)	(15,733)	
Social Housing Grant Received	4,832	9,219	
Social Housing Grant Repaid	(368,900)		
Changes on short term deposits with banks	(227,402)	867,783	
Proceeds on Disposal of Properties	515,362	58,490	
Net Cash (Outflow) / Inflow from Investing Activities		(445,187)	223,657
Financing Activities			
Interest Received on Cash and Cash Equivalents	27,822	33,348	
Interest Paid on Loans	(192,962)	(200,054)	
Loan Principal Repayments	(293,845)	(231,560)	
Share Capital Issued	1	4	
Net Cash Outflow from Financing		(458,984)	(398,262)
(Decrease) / Increase in Cash		(382,545)	89,523
Opening Cash & Cash Equivalents		468,404	378,881
Closing Cash & Cash Equivalents		85,859	468,404
Cash and Cash equivalents as at 31 March 2017.			
Cash		85,859	468,404
		85,859	468,404

The notes on pages 12 to 27 form part of these financial statements.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31st MARCH 2017

	Share Capital	Revenue Reserve	Total
	£	£	£
Restated Balance as at 1st April 2015	119	8,202,262	8,202,381
Issue of Shares	4	-	4
Cancellation of Shares	(3)	-	(3)
Surplus for Year		327,768	327,768
Restated Balance as at 31 March 2016	120	8,530,030	8,530,150
Balance as at 31 March 2016 as previously stated	120	8,882,139	8,882,259
Prior period adjustment		(352,109)	(352,109)
Balance as at 31 March 2016 as restated	120	8,530,030	8,530,150
Issue of Shares	1	-	1
Cancellation of Shares	(7)	-	(7)
Surplus for Year		371,445	371,445
Balance as at 31 March 2017	114	8,901,475	8,901,589

The reserves opening balance at 1st January 2015 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 2017

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 Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords 2014, and on the historical cost basis. They also comply with the Determination of Accounting Requirements 2015. 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 the group.

Revenue

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised with expenditure as it 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 participated in the Scottish Housing Association Defined Benefits Pension Scheme. Retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. This is a defined benefit scheme and payments to this scheme are made in accordance with periodic calculations by consulting Actuaries.

The Association still has a liability for past service costs contributions to the Scottish Housing Association Defined Benefit Pension Scheme. The Association provides 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 a 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.

Component	Useful Economic Life
Roof - tiles/flashings	50 years
External fabric/brickwork	50 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 2017 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 Housing Association Limited 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:

a) 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.

b) 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.

c) 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 assessment.

d) 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.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

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.

Provisions

In accordance with Financial Reporting Standard 102 provision is made for...

Key Judgements made in the application of Accounting Policies

a) 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.

b) 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.

c) 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 Management Committee feel this is the best available estimate of the past service liability.

Financial Instruments - Basic

The Association classes all of its loans as basic financial instruments including agreements with break clauses. The Association recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Notes	2017			2016			
	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	
Affordable letting activities	3.	3,144,208	2,099,814	1,044,394	3,182,959	1,929,273	1,253,686
Other Activities	4.	248,219	763,040	(514,821)	324,619	1,079,876	(755,057)
Total		3,392,427	2,862,854	529,573	3,507,578	3,008,949	498,629

3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General			2017 Total £	2016 Total £
	Needs Housing £	Supported Housing £	Shared ownership £		
Revenue from Lettings					
Rent Receivable Net of Service Charges	2,406,191	39,847	43,923	2,489,961	2,478,291
Service Charges	88,049	538	884	89,471	92,073
Gross income from rent and service charges	2,494,240	40,385	44,807	2,579,432	2,570,364
Less: Rent losses from voids	5,319	-	-	5,319	2,921
Net Rents Receivable	2,488,921	40,385	44,807	2,574,113	2,567,443
Grants released from deferred income	569,296	-	-	569,296	614,271
Other revenue grants	799	-	-	799	1,245
Total turnover from affordable letting activities	3,059,016	40,385	44,807	3,144,208	3,182,959
Expenditure on affordable letting activities					
Management and maintenance administration costs	697,198	-	-	697,198	763,244
Service Costs	120,978	538	-	121,516	118,194
Planned and cyclical maintenance, including major repairs	322,834	-	-	322,834	226,149
Reactive maintenance costs	250,268	-	-	250,268	206,073
Bad Debts - rents and service charges	(467)	-	-	(467)	19,497
Depreciation of affordable let properties	708,465	-	-	708,465	744,041
Impairment of affordable letting activities	-	-	-	-	(147,925)
Operating costs of affordable letting activities	2,099,276	538	-	2,099,814	1,929,273
Operating surplus on affordable letting activities	959,740	39,847	44,807	1,044,394	1,253,686
2016		1,169,262	39,256	45,168	

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Grants From Scottish Ministers	Other Revenue	Supporting People Income	Other Income	Total Turnover	Operating Costs	Operating Surplus / (Deficit)	Operating Surplus / (Deficit)
	£	£	£	£	£	£	£	£
Wider Role Activities	158,332	6,931	-	-	165,263	201,391	(36,128)	(19,578)
investment property activities	-	-	-	-	-	-	-	1,046
Factoring	-	3,503	-	15,048	18,551	23,342	(4,791)	(301)
Support Activities	-	-	-	-	-	-	-	(45,888)
Development and construction of property activities	-	-	-	-	-	498,750	(498,750)	(702,593)
Other activities	-	-	-	-	-	9,119	(9,119)	(7,891)
Other income/service- other owners/creche	-	-	-	64,405	64,405	30,438	33,967	20,088
Total From Other Activities	158,332	10,434	-	79,453	248,219	763,040	(514,821)	(755,057)
2016	223,624	14,660	86,335	-	324,619	1,079,676	(755,057)	

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

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.

	2017	2016
	£	£
Compensation payable to Officers for loss of Office	-	2,569

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

Emoluments payable to Chief Executive (excluding pension contributions)	59,025	38,094
Total Emoluments paid to key management personnel	224,414	249,851

The number of Officers, including the highest paid Officer, who received emoluments (excluding pension contributions) over £60,000 was in the following ranges:-

6. EMPLOYEE INFORMATION

	2017	2016
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	13	14
The average total number of Employees employed during the year was	13	15
Staff Costs were:	£	£
Wages and Salaries	436,673	455,667
Social Security Costs	41,767	41,356
Other Pension Costs	45,053	45,664
Temporary, Agency and Seconded Staff	13,013	49,769
	536,506	592,456

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	2017	2016
	£	£
Sales Proceeds	515,362	58,490
Cost of Sales	507,111	58,665
Gain / (Loss) On Sale Of Housing Stock	<u>8,251</u>	<u>(175)</u>

8. INTEREST PAYABLE & SIMILAR CHARGES

	2017	2016
	£	£
On Bank Loans & Overdrafts	192,962	200,054
	<u>192,962</u>	<u>200,054</u>

9. SURPLUS FOR YEAR

	2017	2016
	£	£
Surplus is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	743,637	784,117
Auditors' Remuneration - Audit Services	8,254	8,093
Auditors' Remuneration - Other Services	3,395	2,166
Gain on sale of fixed assets	<u>8,087</u>	<u>408</u>

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

	2017	2016
	£	£
Unwinding of Discounted Liabilities	<u>29,055</u>	<u>31,830</u>

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. NON-CURRENT ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Completed Shared Ownership Properties £	Total £
COST			
As at 1st April 2016	33,944,989	1,032,963	34,977,952
Additions	359,353	-	359,353
Disposals	(771,876)	(29,904)	(801,780)
Transfers	49,000	(49,000)	-
As at 31st March 2017	<u>33,581,466</u>	<u>954,059</u>	<u>34,535,525</u>
DEPRECIATION			
As at 1st April 2016	9,403,601	270,609	9,674,210
Charge for Year	681,446	19,081	700,527
Disposals	(274,171)	(12,560)	(286,731)
Transfer	18,620	(18,620)	-
As at 31st March 2017	<u>9,829,496</u>	<u>258,510</u>	<u>10,088,006</u>
NET BOOK VALUE			
As at 31st March 2017	<u>23,751,970</u>	<u>695,549</u>	<u>24,447,519</u>
As at 31st March 2016	<u>24,541,388</u>	<u>762,354</u>	<u>25,303,742</u>

Additions to housing properties include capitalised development administration costs of £nil (2016 - £nil) and capitalised major repair costs to existing properties of £359,353 (2016 - £696,102)

All land and housing properties are freehold.

Total expenditure on existing properties in the year amounted to £1,038,864. The amount capitalised is £359,353, with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £359,353 and improvement of £0.

The Association's Lenders have standard securities over Housing Property with a carrying value of £19,646,806 (2016 - £18,841,086).

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. NON CURRENT ASSETS (Continued)

b) Other Tangible Assets	Office Premises £	Furniture & Equipment £	Total £
COST			
As at 1st April 2016	1,448,002	139,713	1,587,715
Additions	-	9,726	9,726
Eliminated on Disposals	-	(29,655)	(29,655)
As at 31st March 2017	<u>1,448,002</u>	<u>119,784</u>	<u>1,567,786</u>
AGGREGATE DEPRECIATION			
As at 1st April 2016	331,585	113,839	445,424
Charge for year	30,144	12,966	43,110
Eliminated on disposal	-	(29,492)	(29,492)
As at 31st March 2017	<u>361,729</u>	<u>97,313</u>	<u>459,042</u>
NET BOOK VALUE			
As at 31st March 2017	<u>1,086,273</u>	<u>22,471</u>	<u>1,108,744</u>
As at 31st March 2016	<u>1,116,417</u>	<u>25,874</u>	<u>1,142,291</u>

13. CAPITAL COMMITMENTS

	2017 £	2016 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	<u>182,652</u>	<u>295,192</u>

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 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. RECEIVABLES AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Loan to subsidiary	7,500	15,000

15. RECEIVABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Arrears of Rent & Service Charges	118,360	102,223
Less: Provision for Doubtful Debts	(53,978)	(46,040)
	62,382	56,183
Other Receivables	101,707	94,023
	164,089	150,206

16. PAYABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Housing Loans	245,936	239,717
Trade Payables	66,240	68,597
Rent in Advance	57,600	60,195
Other Taxation and Social Security	11,372	99,257
Amounts Due to Group Undertakings	16,467	5,380
Other Payables	135,162	137,756
Liability for Past Service Contributions	89,853	79,844
Accruals and Deferred Income	21,905	70,778
	644,535	761,524

At the balance sheet date there were pension contributions outstanding of £12573 (2016 £11681).

17. PAYABLES AMOUNTS FALLING DUE AFTER ONE YEAR

	2017	2016
	£	£
Liability for Past Service Contributions	366,744	427,544
Housing Loans	4,963,217	5,263,281
	5,329,961	5,690,825
Housing Loans		
Amounts due within one year	245,936	239,717
Amounts due in one year or more but less than two years	253,479	247,222
Amounts due in two years or more but less than five years	809,749	790,576
Amounts due in more than five years	3,899,989	4,225,483
	5,209,153	5,502,998
Less: Amount shown in Current Liabilities	245,936	239,717
	4,963,217	5,263,281
Liability for Past Service Contributions		
Amounts due within one year	89,853	79,844
Amounts due in one year or more but less than two years	92,548	89,853
Amounts due in two years or more but less than five years	274,196	286,058
Amounts due in more than five years	-	51,633
	456,597	507,388
Less: Amount shown in Current Liabilities	89,853	79,844
	366,744	427,544

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

Lender	Security	Effective Interest Rate	Maturity	Variable / Fixed
Nationwide	Standard security over 184 properties	Libor +0.45%	2035	Variable
Nationwide	Standard security over 184 -same as above properties	Libor +0.45%	2036	Variable
Nationwide	Standard security over 184 -same as above properties	Libor +0.45%	2036	Variable
Nationwide	Standard security over 64 properties	2.98%	2032	Fixed
Clydesdale	Standard security over 82 properties	6.32%	2029	Fixed
Clydesdale	Standard security over office and community centre building	6.01%	2029	Fixed
Clydesdale	Standard security over office and community centre building	5.76%	2029	Fixed
Clydesdale	Standard security over 170 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 1.06% (2016 - 3.58%)

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. STATEMENT OF CASH FLOWS

	2017	2016
	£	£
<i>Reconciliation of operating surplus to balance as at 31 March 2017</i>		
Operating Surplus	529,573	498,629
Depreciation	751,573	636,192
Amortisation of Capital Grants	(569,296)	(643,142)
Change in debtors	(6,189)	34,055
Change in creditors	(155,136)	(230,065)
Gain on sale of other fixed assets	164	292
Unwinding of Discount on Pension Liability	(29,055)	(31,830)
Share Capital Written Off	(7)	(3)
Balance as at 31 March 2017	<u>521,627</u>	<u>264,128</u>

19. DEFERRED INCOME

	Housing Properties Held for Letting	Shared Ownership Properties	Total
	£	£	£
Social Housing Grants			
Balance as at 1st April 2016	22,990,729	762,344	23,753,073
Additions in the year	4,832	-	4,832
Transferred	16,826	(16,826)	-
Eliminated on disposal components and property	(317,699)	(10,811)	(328,510)
Balance as at 31st March 2017	<u>22,694,688</u>	<u>734,707</u>	<u>23,429,395</u>
Amortisation			
Balance as at 1st April 2016	9,256,426	213,456	9,469,882
Amortisation in year	566,122	14,694	580,816
Eliminated on disposal	-	-	-
Balance as at 31st March 2017	<u>9,822,548</u>	<u>228,150</u>	<u>10,050,698</u>
Net book value			
Balance as at 31st March 2017	<u>12,872,140</u>	<u>506,557</u>	<u>13,378,697</u>
Balance as at 31st March 2016	<u>13,734,303</u>	<u>548,888</u>	<u>14,283,191</u>
Total grants net book value as at 31 March 2017	<u>12,872,140</u>	<u>506,557</u>	<u>13,378,697</u>

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

	2017	2016
	£	£
Amounts due within one year	580,816	789,034
Amounts due after more than one year	12,797,881	13,494,157
	<u>13,378,697</u>	<u>14,283,191</u>

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2016	120
Issued in year	1
Cancelled in year	<u>(7)</u>
At 31st March 2017	<u>114</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:-	2017 No.	2016 No.
General Needs - Built by Association	608	618
General Needs - Purchased by Association	109	109
Shared Ownership	<u>23</u>	<u>25</u>
	<u>740</u>	<u>752</u>

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

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 who are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their position 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 is made at arm's length is under normal commercial terms.

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

	£
Rent and factoring received from Tenants on the Committee and their close family members	38,120

At the year end total rent arrears and factoring owed by the tenant members of the Committee (and their close family) were £886

Members of the Committee who are tenants	9
--	---

23. NEGATIVE GOODWILL

	2016
	£
Balance as at 1st April 2015	1,339,510
Release during the year	<u>(27,622)</u>
As at 31st March 2016	<u>1,311,888</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 principal place of business is 45 Boyndie Street, Glasgow, G34 9JL.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in Blairtummock and Rogerfield, Easterhouse.

25. GOVERNING BODY MEMBER EMOLUMENTS

Management Committee members received £815 in the year by way of reimbursement of expenses. (2015 - £1,421). No remuneration is paid to Management Committee members in respect of their duties in the Association.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. INVESTMENTS

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.

The following transactions took place between the entities during the year:

During the year the Association recharged rates and insurance to the subsidiary totalling £2,731 (2016: £2,651). The Association looks after deposits and makes payments on behalf of the subsidiary. As a result, at the statement of financial position date, the Association owed £16,467 (2016: £5,380) to the subsidiary. During 2015/16, the Association provided the subsidiary with an interest free loan of £15,000 and £7,500 remains outstanding at 31 March 2017 in line with the loan agreement. The Association also provides the charity with the 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 2017 were as follows:

	2017	2016
	£	£
Capital & Reserves	36,185	10,995
	<u> </u>	<u> </u>
Surplus for the year	25,190	(4,321)
	<u> </u>	<u> </u>

	2017	2016
	£	£
Short term deposits	3,752,959	3,525,557
	<u> </u>	<u> </u>

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. RETIREMENT BENEFIT OBLIGATIONS

General

Blairtummock Housing Association Limited participated 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.

All employers 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 statement of financial position date the present value of this obligation was £456597 (2016 - £507388). This was calculated by reference to the terms of the agreement and discounting the liability using the yield rate of a high quality corporate bond with a similar term. This discount rate used was 1.06%.

The Association made payments totalling £79845 (2016: £77510) to the pension scheme during the year.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. PRIOR PERIOD ADJUSTMENTS

Adjustments due to a change in accounting policy

The Association decided to change their treatment of Internal Doors from capital to revenue. The Association feels that this provides more reliable and relevant information about the effect of transactions and their financial position at the year end. The value of the adjustments is outlined below:

	Previously Stated £	Restated £	Adjustment £
Tangible fixed assets - at cost - 31 March 2016	35,829,441	34,977,952	(851,489)
Tangible fixed assets - Depreciation - at 31 March 2016	(9,998,827)	(9,674,210)	324,617
Deferred income - at 31 March 2016	(14,457,954)	(14,283,191)	174,763
Reserves as at 1 April 2015	8,554,371	8,202,262	(352,109)
Reserves as at 1 April 2016	8,882,139	8,530,030	(352,109)

Change in accounting estimate

The Association decided to change the estimated useful life of Roofs and External Fabrics from 40 years to 50 years, after using the advice provided to them by Quantity Surveyors. As this is a change of estimate and not a change in policy, it is not necessary to restate the prior period.

