



ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

FCA Registered Number: SP1835/RS
Scottish Charity Number: SC010858
The Scottish Housing Regulator Registered Number: HAL72



Blue Triangle (Glasgow) Housing Association Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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Statutory Information for the Year Ended 31 March 2016

MANAGEMENT BOARD MEMBERS:

Mr J Maitland (Chairman – Retired 17 September 2015)
Mr J McKenzie (Vice Chairman – Retired 15 October 2015)
Mr P Timpson (Retired 23 July 2015)
Mr W Thompson
Mr N Robinson (Appointed Chairman – 17 September 2015)
Mr D Brown
Mr S Dryburgh
Ms D McGuire
Ms L Gemmill
Mr D Sullivan
Mrs F Miller (Appointed Vice Chairperson - 31 March 2016)
Mr M Valenti (Retired 23 July 2015)
Mr K Jones
Ms J McCormack
Mr J Edwards
Ms D Purdie (Appointed 23 July 2015, Retired 31 March 2016)
Ms K Maynor (Appointed 26 May 2016)
Ms H Ward (Appointed 26 May 2016)

CHIEF EXECUTIVE:

Fiona E. Stringfellow

REGISTERED OFFICE:

3rd Floor
100 Berkeley Street
Glasgow
G3 7HU

FCA REGISTERED NUMBER:

SCOTTISH CHARITY NUMBER:

THE SCOTTISH HOUSING REGULATOR REGISTERED NUMBER:

SP1835/RS

SC010858

HAL72

AUDITOR:

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

BANKER:

The Royal Bank of Scotland plc
9 Clifton Place
Glasgow
G3 7JU

SOLICITOR:

Campbell Riddell Breeze Paterson
21 Park Road
Milngavie
G62 6PJ

Chairman's Statement

The accounts for the year to 31 March 2016 show a surplus of £189,343 (2015 - £129,449) prior to reserve movements for property refurbishment and cyclical maintenance and the Statement of Financial Position of the Association show net assets of £4,131,370 (2015 - £3,942,022).

The Association continues to maintain sound financial management policies and enjoys a strong financial position. The results compare favourably to the budget set, with close control over costs and void levels, helped by additional income generated resulting in a better than budgeted performance.

In the context of the last several years of growing pressure on third sector service providers, the financial achievement of the Association in the 2015/16 year is highly laudable. However no one can rest on any laurels as the radical changes to the world we work in continue to challenge our working practices and financial governance. The impact of continuing cuts in government funding to local authorities and the resulting strain on their resources inevitably filters its way down to providers like Blue Triangle. We know already that the 2016/17 year will provide us with further challenges to be faced and more, careful management will be required in the next few years if we are to at least maintain services.

The future is far from certain. We operate in a world where the ground we are used to standing on can shift very quickly and the Board is well aware of the need to be able to react to new circumstances. At the same time we also have to look further ahead to what might be required and plan accordingly. The organisation needs to be fit for purpose in all areas of its operation and the Board, in conjunction with the Executive Team, is already engaged in a number of large scale reviews within the Association designed to target areas where investment may be needed and working practices require to be modernised. It is hoped that these will conclude in 2016/17 and that they will together provide the Association with the best platform from which to grow and develop service provision and the organisation as a whole, including staff and infrastructure.

We also continue to recruit new Board members who we believe bring the appropriate skills we need to drive the organisation forward and provide the ongoing high level of governance necessary.

The most important people in the equation are of course our service users, some of society's most vulnerable members, and we are rightly proud of the tremendous support we are able to provide to all via our professional and highly motivated and committed staff. The caring and 'ready to go the extra mile' approach which characterises much of what we do is recognised and appreciated widely and we are very happy to acknowledge it together. Care Inspectorate grades continue to be very good across the organisation and these, together with our recently confirmed retention of the Investors In People silver award, are very positive endorsements for everyone involved.

In October 2015 we celebrated the 40th anniversary of the founding of the Association. The main event in Glasgow, although there were other less public and more local ones, was attended by many past and present service users, staff, funders and other supporters and was a huge success. In reminiscing a little about the organisation's humble beginnings and tracking the ups and downs of the past 4 decades, everyone was struck by the scale of what has been achieved and, importantly, the real impact we have been able to make, and continue to have on many lives for good! Our hope would be that this can be continued and grown as we move into the future. As part of the celebrations a new logo was designed and launched across the Association providing, we believe, a new and vibrant public face to who we are and what we do.

There are many challenges ahead but providing the best we can for our service users will remain the focus for our thinking, planning and implementation across the organisation.

In closing, I would like to thank the Management Board and the Committees for all their work and also our Chief Executive, her executive team and the office staff team for their effort and commitment. I also would like to give a big thanks to the project staff teams and Managers for all the fantastic work they do in partnership with service users and their families, and our statutory and third sector partners.



N Robison
Chairman

28 July 2016

Strategic Report

For the year ended 31 March 2016

The Management Board submits its fortieth Strategic Report, Annual Report, and Audited Financial Statements for the year ended 31 March 2016.

PRINCIPAL ACTIVITY

The principal activity of the Association in the year under review was the provision of special needs housing accommodation for homeless persons. The association was incorporated in Scotland.

The Association continues to operate the supported accommodation projects at;

- ↳ Shettleston Road, Glasgow, which accommodates eight persons (2015 – 8)
- ↳ Holland Street and Sauchiehall Street, Glasgow, which accommodates fifty persons (2015 - 50)
- ↳ Chalmers Court, (Charlotte Street, Ayr), which accommodates twelve persons (2015 - 12)
- ↳ Glasgow Floating Support, which accommodates eight persons (2015 – 8)
- ↳ Bruce Court, Paisley, which accommodates twelve persons (2015 – 12)
- ↳ Somerset Place, Glasgow, which accommodates eight persons (2015 - 8)
- ↳ Viewpark, (Old Edinburgh Road, Uddingston), which accommodates thirteen persons (2015 - 13)
- ↳ Greenside House, Lanark, which accommodates twelve persons (2015 – 13)
- ↳ Bank Street, Kilmarnock, which accommodates ten persons (2015 – 10)
- ↳ Clydesdale Street, Hamilton, which accommodates thirteen persons (2015 – 13)
- ↳ Braehead, Bonhill, which accommodates eight persons (2015 – 8)
- ↳ Alexander Street, Clydebank, which accommodates thirteen persons (2015 – 13)
- ↳ Millhill, Musselburgh, which accommodates nine persons (2015 – 9)
- ↳ Shore Street, Oban, which accommodates fifteen persons (2015 – 15)
- ↳ Solas, Oban, which accommodates five persons (2015 – 5)
- ↳ Wemyss House, Port Seton, which accommodates seven persons (2015 – 7)
- ↳ High Street, Musselburgh, which accommodates five persons (2015 – 5)
- ↳ Lorn Court, Oban, which accommodates six persons (2015 – 6)
- ↳ Don Mor Lodge, Oban, which accommodates six persons (2015 – 6)
- ↳ Victoria Drive East, Renfrew, which accommodates seventeen persons (2015 – 17)
- ↳ Argyle Street, Paisley, which accommodates eleven persons (2015 – 11)
- ↳ Alexander Street, Alexandria, which accommodates ten persons (2015 – 10)
- ↳ Millknowe, Campbeltown, which accommodates three persons (2015 – 3)
- ↳ Charles Brownlie Services Hamilton and Blantyre which accommodate twenty-three persons (2015 – 23)
- ↳ First Stop East Kilbride, which accommodates eight persons (2015 – 8)
- ↳ North High Street, Musselburgh, which accommodates four persons (2015 - 4)

The Association has received grants from The Scottish Government for capital expenditure together with revenue grants and Community Care monies from Glasgow City Council, and revenue grants from South Lanarkshire Council.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Management Board considers that the Association has had a satisfactory year, and appropriate sums have been transferred in the year from revenue reserves to designated reserves created to meet the future property refurbishment and cyclical maintenance costs of the Housing Association's projects. The financial position at the year-end is a healthy one and the Board remains confident that a continued quality approach to business issues will secure the Association's position in the future.

The Management Board is pleased to report turnover in the year of £8,184,908 (2015 - £8,142,888), and the surplus for the year of £189,343 (2015 - £129,449) is considered satisfactory in light of the current economic climate. The Association continues to assess its performance on a project by project basis.

RISK MANAGEMENT

The Association has conducted a review of the major risks to which it is exposed and this review is updated annually. Where appropriate, systems or procedures have been established, to mitigate the risks which the Association faces.

KEY PERFORMANCE INDICATORS

The Association monitors Key Performance Indicators for voids, sums owed, bad debts, Care Inspectorate grades, service user satisfaction, occupancy agreements granted, complaints, repairs, staff numbers, staff turnover and absence, financial performance and turnover by local authority area. The Management Board review the KPI's quarterly and consider the results for the period under review to be satisfactory.

GOVERNANCE

GOVERNING DOCUMENT

The Association is a registered charity and was registered on 5 June 1975. In addition, the Association is a registered social landlord and is thus registered with The Scottish Housing Regulator and is also registered with the Financial Conduct Authority.

Strategic Report

For the year ended 31 March 2016

GOVERNANCE (cont'd)

RECRUITMENT AND APPOINTMENT OF THE MANAGEMENT BOARD

At the Annual General Meeting in accordance with the rules of the Association, Mr W Thompson, Mr N Robinson, Mr D Brown and Mr D Sullivan, retire by rotation and Mr W Thompson, Mr N Robinson and Mr D Brown offer themselves for re-election.

The Management Board seeks to ensure that the needs of its client group are appropriately reflected through the diversity of the Board and Committee structure. To enhance the potential pool of members, the Association has, through selective advertising and networking, sought to identify people who would be willing to become members and utilise their own skills and experience to assist the Association.

The Management Board has a broad range of skills and members. Each year the members are requested to provide a list of their skills and in the event of particular skills being lost due to retirements, individuals are approached to offer themselves for election to the Management Board.

MANAGEMENT BOARD MEMBERS INDUCTION & TRAINING

Most members of the Management Board are already familiar with the practical work of the Association. Where new members are elected, information is supplied regarding the obligation of Management Board members, details of the Association's main documents and up to date financial statements. In addition an annual 'Away Day' is held for both members and staff, providing valuable information and updates on topical areas. Members are also encouraged to attend the hostels as part of the regular programme of project visits.

ORGANISATIONAL STRUCTURE

The Association has a Management Board of 11 members (in addition 5 retired during the year). The Management Board meet eight times per year and there are also a number of committees who meet regularly and report directly to the Management Board.

A scheme of delegation is in place and day to day responsibility for the provision of the Association's projects rests with the Chief Executive, along with the Finance Director and Operations Director. The Chief Executive is responsible for ensuring that the Association delivers the services specified and that key performance indicators are met.

Signed on behalf of the Management Board.



N Robinson
Chairman

28 July 2016

Annual Report of the Management Board

For the Year Ended 31 March 2016

MANAGEMENT BOARD

During the financial period the Management Board was made up as follows:-

Mr J Maitland (Chairman – Retired 17 September 2015)
Mr J McKenzie (Vice Chairman – Retired 15 October 2015)
Mr P Timpson (Retired 23 July 2015)
Mr W Thompson
Mr N Robinson (Appointed Chairman – 17 September 2015)
Mr D Brown
Mr S Dryburgh
Ms D McGuire
Ms L Gemmill
Mr D Sullivan
Mrs F Miller (Appointed Vice Chairperson - 31 March 2016)
Mr M Valenti (Retired 23 July 2015)
Mr K Jones
Ms J McCormack
Mr J Edwards
Ms D Purdie (Appointed 23 July 2015, Retired 31 March 2016)
Ms K Maynor (Appointed 26 May 2016)
Ms H Ward (Appointed 26 May 2016)

STATEMENT OF RESPONSIBILITIES OF THE MANAGEMENT BOARD

The law governing Housing Associations requires the Management Board 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 Board are required to:

- ↳ select suitable accounting policies and then apply them consistently;
- ↳ make judgements and estimates that are reasonable and prudent;
- ↳ state whether applicable accounting standards have been followed subject to any material departure disclosed and explained in the financial statements; and
- ↳ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Management Board is responsible for maintaining adequate 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 statutory requirements. They are responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud.

INTERNAL FINANCIAL CONTROL

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

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

It is the Management Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. Key elements include ensuring that:

- (a) Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- (b) Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- (c) Forecasts and budgets are prepared which allow the Management Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set out for the year. During the financial year, regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information. Significant variances from budgets are investigated as appropriate;
- (d) All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the relevant committees which are comprised of Board members;
- (e) During the year a number of key areas were reviewed and the recommendations from the reports duly implemented;
- (f) The Management Board reviews reports from the external auditor to provide reasonable assurance that control procedures are in place and are being followed;

Annual Report of the Management Board (continued)

For the Year Ended 31 March 2016

INTERNAL FINANCIAL CONTROL (cont'd)

- (g) Formal practices have been established for instituting appropriate action to correct weaknesses identified from the reports of the external auditor; and
- (h) Ad-hoc internal reviews are carried out by senior management in respect of systems and procedures in key areas. These reports are reviewed by the Board and when applicable, improvements are implemented.

The Management Board have 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 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.

SHARE CAPITAL

During the year 5 shares were issued (2015-3) and nil shares were cancelled (2015-1).

RESERVES POLICY

The Association maintains revenue reserves to ensure there are sufficient reserves to continue its normal day to day business.

EMPLOYEES

The Association recognises the requirement for employees to be informed in matters of concern to them and provide them with relevant information. The Association recognises Unison and a Joint Negotiating Committee is in place to facilitate this process.

DISABLED PERSONS

The Association recognises its obligations towards disabled persons and endeavours to provide as many employment, training and career opportunities as the demands of the Association's operations and the abilities of the disabled persons allow.

DISCLOSURE OF INFORMATION TO THE AUDITOR

As far as each of the members of the Management Board at the time the report is approved are aware:

- a) there is no relevant information of which the Association's auditor is unaware; and
- b) the members of the Management Board have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

AUDITOR

A resolution for the re-appointment of Scott-Moncrieff will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Management Board.



N Robison
Chairman

28 July 2016

Report of the Independent Auditor to the Members of Blue Triangle (Glasgow) Housing Association Limited

We have audited the financial statements of Blue Triangle (Glasgow) Housing Association Limited for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Capital and Reserves, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Practice) and the Statement of Recommended Practice for Social Housing Providers issued in 2014.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, and for the opinion we have formed.

Respective responsibilities of the Management Board and the Auditor

As explained more fully in the Statement of Responsibilities of the Management Board set out on page 5, the Management Board is responsible for the preparation of the financial statements which give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2016 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for Social Housing Providers issued in 2014; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010, and the Determination of Accounting Requirements 2014 issued by the Scottish Housing Regulator.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Scott - Moncrieff

Scott-Moncrieff, Statutory Auditor
Chartered Accountants
Eligible to act as a statutory auditor in terms of Section 1212 of the Companies Act 2006
25 Bothwell Street
Glasgow
G2 6NL

28 July 2016

Report by the Auditor to the members of Blue Triangle (Glasgow) Housing Association Limited on Corporate Governance Matters

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 5 and 6 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements on corporate governance matters within Bulletin 2009/4 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on pages 5 and 6 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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

Scott-Moncrieff

Scott-Moncrieff, Statutory Auditor
Chartered Accountants
Eligible to act as a statutory auditor in terms of Section 1212 of the Companies Act 2006
25 Bothwell Street
Glasgow
G2 6NL

28 July 2016

Statement of Comprehensive Income

For the Year Ended 31 March 2016

	Notes	2016		Restated 2015	
		£	£	£	£
Turnover	5		8,184,908		8,142,888
Less: Operating Costs	5		<u>8,024,090</u>		<u>8,009,308</u>
Operating Surplus	5, 15		160,818		133,580
Gain on sale of fixed assets	8		<u>8,250</u>		<u>63</u>
			169,068		133,643
Increase in value of investment property		5,000		-	
Interest received	9	15,275		15,509	
Interest payable	10	<u>-</u>		<u>(19,703)</u>	
			<u>20,275</u>		<u>(4,194)</u>
Surplus before taxation			189,343		129,449
Taxation			<u>-</u>		<u>-</u>
Surplus for the year			<u>189,343</u>		<u>129,449</u>
Other comprehensive income			<u>-</u>		<u>-</u>
Total comprehensive income for the year			<u>189,343</u>		<u>129,449</u>

The results for the year relate wholly to continuing activities.

The notes form part of these financial statements.

Statement of Financial Position

As at 31 March 2016

	Notes	2016		Restated 2015	
		£	£	£	£
TANGIBLE FIXED ASSETS					
Housing properties	16		3,286,552		3,339,387
Land and Buildings	16		446,233		457,323
Investment Property	16		40,000		35,000
Others - Office Equipment & Motor Vehicles	16		47,970		34,668
TOTAL FIXED ASSETS	16		<u>3,820,755</u>		<u>3,866,378</u>
CURRENT ASSETS					
Debtors	17	398,794		387,347	
Cash and Bank Balances	18	<u>2,078,674</u>		<u>1,999,803</u>	
			<u>2,477,468</u>		<u>2,387,150</u>
CURRENT LIABILITIES					
Creditors: Amounts falling due within one year	19	<u>509,543</u>		<u>585,229</u>	
NET CURRENT ASSETS			<u>1,967,925</u>		<u>1,801,921</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,788,680</u>		<u>5,668,299</u>
CREDITORS: Amounts falling due after more than one year	19		<u>1,657,310</u>		<u>1,726,277</u>
NET ASSETS			<u>4,131,370</u>		<u>3,942,022</u>
CAPITAL AND RESERVES					
Share capital	22		52		47
Designated reserves			1,211,443		1,161,355
Revenue reserve			<u>2,919,875</u>		<u>2,780,620</u>
			<u>4,131,370</u>		<u>3,942,022</u>

The financial statements were approved by the Management Board and were signed on its behalf on 28 July 2016 by:

N. Robinson, Chairman

F. Miller, Vice Chairperson

D. Brown, Convener, Finance Committee

The notes form part of these financial statements.

Statement of Changes in Capital and Reserves

As at 31 March 2016

	Share Capital £	Revenue Reserves £	Designated Reserves	Total Reserves £
Balance at 1 April 2015 (restated)	47	2,780,620	1,161,355	3,942,022
Surplus from Statement of Comprehensive Income	-	189,343	-	189,343
Transfer from revenue reserves to designated reserves	-	(50,088)	50,088	-
Shares issued during the year	5	-	-	5
	<u>52</u>	<u>2,919,875</u>	<u>1,211,443</u>	<u>4,131,370</u>

As at 31 March 2015

	Share Capital £	Revenue Reserves £	Designated Reserves	Total Reserves £
Balance at 1 April 2014 (restated)	45	2,680,359	1,132,167	3,812,571
Surplus from Statement of Comprehensive Income (restated)	-	129,449	-	129,449
Transfer from revenue reserves to designated reserves	-	(29,188)	29,188	-
Shares issued during the year	3	-	-	3
Shares cancelled during the year	(1)	-	-	(1)
	<u>47</u>	<u>2,780,620</u>	<u>1,161,355</u>	<u>3,942,022</u>

The notes form part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2016

	Notes	2016 £	Restated 2015 £
Net cash generated from operating activities	1	102,004	497,396
Cash flow from investing activities			
Purchase of tangible fixed assets		(66,799)	(66,026)
Proceeds from the sale of tangible fixed assets		17,350	9,500
Interest received		15,275	17,069
Net cash used in investing activities		<u>(34,174)</u>	<u>(39,457)</u>
Cash flow from financing activities			
Interest paid		-	(20,844)
Repayment of borrowings		-	(230,670)
Issue of share capital		5	3
Cancelled shares		-	(1)
Net cash generated from/(used in) financing activities		<u>5</u>	<u>(251,512)</u>
Change in cash and cash equivalents		<u>67,835</u>	<u>206,427</u>
Cash and cash equivalents at 1 April		1,875,108	1,668,681
Cash and cash equivalents at 31 March	18	<u>1,942,943</u>	<u>1,875,108</u>

The notes form part of these financial statements.

Notes to the Statement of Cash Flows

For the year ended 31 March 2016

	2016 £	Restated 2015 £
1. Net Cash Inflow from Operating Activities		
Surplus for the year	189,343	129,449
Adjustments for non cash items:		
Depreciation	100,860	98,689
Depreciation – loss on disposal of components	7,462	-
(Increase)/decrease in debtors	(11,447)	145,193
(Decrease)/increase in creditors	(86,722)	189,320
Revaluation of investment property	(5,000)	-
Gain on sale of fixed assets	(8,250)	(63)
Release of deferred Government capital grants	(68,967)	(68,967)
Adjustments for investing and financing activities		
Interest payable	-	20,844
Interest received	(15,275)	(17,069)
	<u>102,004</u>	<u>497,396</u>

Notes to the Financial Statements for the Year Ended 31 March 2016

1. GENERAL INFORMATION

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the Association's transactions are denominated. The financial statements are the results of the Association only.

The continuing activity of Blue Triangle (Glasgow) Housing Association Limited is the provision of special needs housing accommodation for homeless persons.

The Association is defined as a public benefit entity and thus the Association complies with all disclosure requirements relating to public benefit entities. The Association is a registered social landlord in Scotland and its registered number is HAL72. Details of the registered office can be found on the statutory information page of these financial statements.

2. STATEMENT OF COMPLIANCE

The financial statements of Blue Triangle (Glasgow) Housing Association Limited have been prepared in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS102) (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Statement of Recommended Practice – Accounting for Social Housing Providers issued in 2014 and the Determination of Accounting Requirements 2014 issued by the Scottish Housing Regulator.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented, in dealing with items which are considered material in relation to the Association's financial statements unless otherwise stated.

(a) Basis of preparation

The financial statements are prepared under the historical cost convention subject to revaluation of investment properties. The effect of events relating to the year ended 31 March 2016, which occurred before the date of approval of the financial statements by the Management Board have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2016 and of the results for the year ended on that date.

These financial statements for the year ended 31 March 2016 are the Association's first financial statements that comply with FRS 102. The Association's date of transition to FRS 102 is 1 April 2014.

Before 2015 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council, and referred to as 'previous UK GAAP'. Information on the impact of first-time adoption of FRS 102 is given in note 31 to these financial statements.

(b) Going Concern

The Association has a healthy cash position and the Management Board anticipates a surplus for 2016/17 and 2017/18. The Board is satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus the Board continues to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from the Scottish Government, local authorities and other agencies.

(d) Apportionment of management expenses

Direct employee, administration and operating expenditure have been apportioned to the relevant sections of the Statement of Comprehensive Income on the basis of costs of staff directly attributable to the operations dealt with in the financial statements. Management and administration costs are further apportioned on the basis of total costs.

The costs of cyclical and major repairs are charged to the Statement of Comprehensive Income in the year in which they are incurred.

(e) Pensions

The Association operates a defined contribution pension scheme in respect of its employees. The assets of the scheme are held separately from those of the Association. The pension cost charge to the Statement of Comprehensive Income represents the total contributions payable by the Association to the scheme in respect of the year.

(f) Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

(g) Interest receivable

Interest receivable is recognised in the Statement of Comprehensive Income using the effective interest rate method.

Notes to the Financial Statements for the Year Ended 31 March 2016

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Interest payable

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

(i) Fixed Assets - Housing Properties (Note 16)

Housing properties are stated at cost. The development cost of housing properties funded with Government Capital Grants or under earlier funding arrangements includes the following:

- (i) cost of acquiring land and buildings;
- (ii) development expenditure; and
- (iii) interest charged on the mortgage loans raised to finance the scheme during the development stage.

These costs are either termed "qualifying costs" by The Scottish Government for approved Capital Grant schemes or are considered for mortgage loans by the relevant lending authorities, or are met out of the Association's reserves.

All invoices and architect's certificates relating to capital expenditure incurred in the year are included in the financial statements for the year, provided that the dates of issue or valuation are prior to the year end. Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

(j) Depreciation

(i) Housing properties:

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

Structure	50 years
Roofs	50 years
Windows	25 years
Bathrooms	25 years
Kitchens	15 years
Boilers	15 years
Radiators	25 years

(ii) Office premises:

Office premises are depreciated on cost at 2% per annum.

(iii) Other fixed assets:

Office equipment (20%) motor vehicles (25%) and furniture and office fittings (20%) have been depreciated on cost.

(k) Investment Properties

Investment properties are properties held for commercial lettings. These properties are held at their market value. The fair value of each property will be considered at each reporting date and any changes will be recognised in the Statement of Comprehensive Income.

(l) Development Administration Costs

Development administration costs relating to development activities are capitalised based on an apportionment of the staff time spent directly on this activity.

(m) Capitalisation of Interest

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme.

(n) Debtors

Short term debtors are measured at transaction price, less any impairment.

(o) Rental arrears

Rental arrears represents amounts due by tenants for rental of social housing properties at the year end. Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in Note 17.

Notes to the Financial Statements for the Year Ended 31 March 2016

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

(q) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(r) Financial Instruments

The Association only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets are derecognised when contractual rights to the cash flows from the assets expire, or when the Association has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

(s) Government Capital Grants

Government Capital Grants, at amounts approved by The Scottish Government or local authorities, are paid directly to the Association as required to meet its liabilities during the development process. This is treated as a deferred capital grant and is released to income over the useful life of the assets it relates to on completion of the development phase.

(t) Government Revenue Grants

Government revenue grants are recognised using the accrual model which means the Association recognises the grant in income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

(u) Non-government capital and revenue grants

Non-government capital and revenue grants are recognised using the performance model. If there are no performance conditions attached the grants are recognised as revenue when the grants are received or receivable.

A grant that imposes specific future performance related conditions on the recipient is recognised as revenue only when the performance related conditions are met.

A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Notes to the Financial Statements for the Year Ended 31 March 2016

4. JUDGEMENTS IN APPLYING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Management Board are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Estimate

Useful lives of property, plant and equipment

The main components of housing properties and their useful lives

Recoverable amount of rental and other trade receivables

The valuation of investment property

Basis of estimation

The useful lives of property, plant and equipment are based on the knowledge of senior management at the Association, with reference to expected asset life cycles.

The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.

Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.

The investment property was valued by an appropriately qualified surveyor using market data at the date of valuation.

5. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	Turnover 2016	Operating Costs 2016	Operating Surplus 2016	Restated Turnover 2015	Restated Operating Costs 2015	Restated Operating Surplus 2015
	£	£	£	£	£	£
Social Lettings (note 6)	8,184,908	8,024,090	160,818	8,142,888	8,009,308	133,580
Other Activities (note 7)	-	-	-	-	-	-
Total	8,184,908	8,024,090	160,818	8,142,888	8,009,308	133,580

Notes to the Financial Statements for the Year Ended 31 March 2016

6. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS FROM SOCIAL LETTING ACTIVITIES.

	General Needs Housing £	Supported Housing Accommod- ation £	Shared Ownership Housing £	Total 2016 £	Restated Total 2015 £
Income from rent and service charges					
Rent receivable net of service charges	-	7,066,294	-	7,066,294	7,287,547
Service Charges	-	-	-	-	-
Gross Income from rents and service charges					
Less Voids	-	(235,044)	-	(235,044)	(227,927)
Net income from rents and service charges					
Other revenue grants	-	6,831,250	-	6,831,250	7,059,620
Release of deferred Government capital grants	-	1,281,201	-	1,281,201	1,009,891
Handyman services	-	68,967	-	68,967	68,967
	-	3,490	-	3,490	4,410
Total turnover from social letting activities					
	-	8,184,908	-	8,184,908	8,142,888
Expenditure					
Management and maintenance administration costs	-	1,334,020	-	1,334,020	1,269,595
Service Costs	-	6,115,806	-	6,115,806	6,179,519
Planned and cyclical maintenance including major repairs costs	-	108,312	-	108,312	110,911
Reactive maintenance costs	-	271,926	-	271,926	283,702
Bad debts -rents and service charges	-	112,793	-	112,793	92,112
Depreciation of social housing	-	81,233	-	81,233	73,469
Impairment of social housing	-	-	-	-	-
Operating costs for social letting activities					
	-	8,024,090	-	8,024,090	8,009,308
Operating surplus for social lettings for 2016					
	-	160,818	-	160,818	-
Operating surplus for social letting for 2015 restated					
	-	133,580	-	-	133,580

Included in depreciation of social housing is £7,462 (2015: £nil) relating to the loss on disposal of components.

Notes to the Financial Statements for the Year Ended 31 March 2016

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

	Grants from Scottish Minister s	Other revenue grants	Support- ing people income	Other income	Total Turnove r	Operating costs – bad debts	Other operating costs	Operating surplus 2016 £	Operating surplus Restated 2015 £
	£	£	£	£	£	£	£	£	£
Wider role activities #	-	-	-	-	-	-	-	-	-
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-	-
Development and construction of property activities	-	-	-	-	-	-	-	-	-
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Agency / management services for registered social landlords	-	-	-	-	-	-	-	-	-
Other agency/managem ent services	-	-	-	-	-	-	-	-	-
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to non- registered social landlords	-	-	-	-	-	-	-	-	-
Total from other activities for 2016	-	-	-	-	-	-	-	-	-
Total from other activities for 2015	-	-	-	-	-	-	-	-	-

Undertaken to support the community, other than the provision, construction, improvement and management of housing.

Notes to the Financial Statements for the Year Ended 31 March 2016

8. GAIN ON DISPOSAL OF FIXED ASSETS	2016 £	2015 £
Motor vehicle disposal	8,250	63
	<u> </u>	<u> </u>
9. INTEREST RECEIVED	2016 £	2015 £
Bank interest received	15,275	15,509
	<u> </u>	<u> </u>
10. INTEREST PAYABLE	2016 £	2015 £
Bank loan Interest	-	19,703
	<u> </u>	<u> </u>

11. TAX ON ORDINARY ACTIVITIES

The Association has charitable status for tax purposes and thus there is no corporation tax done on the surplus generated from its charitable activities.

12. DIRECTORS' EMOLUMENTS

The directors are defined as the members of the Management Board, the Chief Executive and any other person reporting directly to the Chief Executive or the Management Board whose total emoluments (excluding pension contributions) exceed £60,000 per year. The Association considers key management personnel to be the Management Board, the Chief Executive, Finance Director and Operations Director. No emoluments were paid to any member of the Management Board during the year.

	2016 £	2015 £
Emoluments of Chief Executive (excluding pension contributions)	73,237	72,154
	<u> </u>	<u> </u>

Pension contributions in respect of the Chief Executive totalled £6,132 (2015: £6,032) in the year.

	2016 £	2015 £
Emoluments payable to highest paid director (excluding pension contributions)	73,237	72,154
	<u> </u>	<u> </u>
Emoluments payable to key management personnel	195,214	191,542
	<u> </u>	<u> </u>

Pension contributions in respect of key management personnel totalled £15,435 (2015: £15,207) in the year.

	2016 No of Directors	2015 No of Directors
The emoluments (excluding pension contributions) of the directors were in the following ranges:		
£60,000 to £65,000	-	1
£65,001 to £70,000	1	-
£70,001 to £75,000	1	1
	<u> </u>	<u> </u>

	2016 £	2015 £
Total emoluments (excluding pension contributions) paid to those earning more than £60,000	139,862	137,083
	<u> </u>	<u> </u>
Pension contributions of directors earning more than £60,000	11,313	11,146
	<u> </u>	<u> </u>
Total expenses reimbursed to directors in so far as not chargeable to United Kingdom income tax	745	703
	<u> </u>	<u> </u>

Notes to the Financial Statements for the Year Ended 31 March 2016

13. EMPLOYEES AND EMPLOYEE COSTS	2016 No	2015 No
Average number of employees (including part-time and relief workers)	323	307
Average number of employees (whole time equivalents)	251	261
<u>Employee costs during year</u>	2016 £	2015 £
Wages and salaries	5,345,986	5,452,237
National insurance contributions	406,653	420,062
Other pension costs	143,266	149,627
	<u>5,895,905</u>	<u>6,021,926</u>
14. PAYMENT TO MEMBERS, COMMITTEE MEMBERS, OFFICERS, EMPLOYEES, ETC	2016 £	2015 £
Fees, remuneration or expenses payable to members of the Association who were neither members of the Management Board nor employees of the Association	-	-
Fees, remuneration or expenses payable to members of the Management Board of the Association who were neither officers nor employees of the Association	-	-
Fees, remuneration or expenses paid to officers of the Association who were not employees.	97	-
Payments or gifts made, or benefits granted, to the persons referred to in Schedule 7 of the Housing (Scotland) Act 2010 Control of Payments and Benefits.	-	-
15. SURPLUS FOR THE YEAR	2016 £	2015 £
The surplus for the year is stated after charging:-		
Depreciation	100,860	98,689
Depreciation – loss on disposal of components	7,462	-
Operating lease rentals: land & buildings	541,247	527,404
Auditor's remuneration: Audit services	7,470	7,217
Auditor's remuneration: Other services pursuant to legislation	1,500	-
Auditor's remuneration: Other services	6,398	1,140

Notes to the Financial Statements for the Year Ended 31 March 2016

16. TANGIBLE FIXED ASSETS	Freehold Housing Properties £	Office Premises £	Investment Property £	Motor Vehicles £	Office Equipment £	TOTAL £
COST / VALUATION						
As at 1 April 2015 as restated	4,572,756	554,465	35,000	69,536	27,635	5,259,392
Additions during year						
- Components	28,398	-	-	-	-	28,398
- Other	-	-	-	38,401	-	38,401
Revaluation during year	-	-	5,000	-	-	5,000
Disposals during year						
- Components	(33,470)	-	-	-	-	(33,470)
- Other	-	-	-	(34,859)	-	(34,859)
As at 31 March 2016	<u>4,567,684</u>	<u>554,465</u>	<u>40,000</u>	<u>73,078</u>	<u>27,635</u>	<u>5,262,862</u>
Depreciation						
As at 1 April 2015 as restated	1,233,369	97,142	-	34,868	27,635	1,393,014
Provided during year	73,771	11,090	-	15,999	-	100,860
Eliminated on Disposals	(26,008)	-	-	(25,759)	-	(51,767)
As at 31 March 2016	<u>1,281,132</u>	<u>108,232</u>	<u>-</u>	<u>25,108</u>	<u>27,635</u>	<u>1,442,107</u>
Net Book Value at 31.03.2016	<u>3,286,552</u>	<u>446,233</u>	<u>40,000</u>	<u>47,970</u>	<u>-</u>	<u>3,820,755</u>
Net Book Value at 31.03.2015 as restated	<u>3,339,387</u>	<u>457,323</u>	<u>35,000</u>	<u>34,668</u>	<u>-</u>	<u>3,866,378</u>

The investment property was revalued as at 27 May 2015 by Messrs DM Hall, Chartered Surveyors.

Components with a cost of £33,470 (2015: £nil) and accumulated depreciation of £26,008 (2015: £nil) have been disposed of for £nil (2015: £nil) net proceeds.

17. DEBTORS	2016 £	2015 £
Amounts falling due within one year		
Rental Arrears	338,359	317,035
Less provision for bad debts	(33,265)	(30,129)
	<u>305,094</u>	<u>286,906</u>
Other Debtors	93,700	100,441
	<u>398,794</u>	<u>387,347</u>
18. CASH AND CASH EQUIVALENTS	2016 £	2015 £
Cash and bank balances	2,078,674	1,999,803
Bank overdraft (note 19)	(135,731)	(124,695)
	<u>1,942,943</u>	<u>1,875,108</u>

Notes to the Financial Statements for the Year Ended 31 March 2016

	2016 Amounts falling due		2015 Amounts falling due	
	Within one year £	After more than one year £	Restated Within one year £	Restated After more than one year £
19. CREDITORS				
Bank Overdraft (note 18)	135,731	-	124,695	-
Other Creditors	89,927	-	158,149	-
Accrued Charges	214,918	-	233,418	-
Deferred capital grants (note 20)	68,967	1,657,310	68,967	1,726,277
	<u>509,543</u>	<u>1,657,310</u>	<u>585,229</u>	<u>1,726,277</u>
20. DEFERRED CAPITAL GRANTS			2016 £	Restated 2015 £
<u>Housing Grant</u>				
At 1 April 2015			1,795,244	1,864,211
Released to income in year			(68,967)	(68,967)
			<u>1,726,277</u>	<u>1,795,244</u>
At 31 March 2016				
<u>Split:</u>				
<1 year			68,967	68,967
1 – 2 years			68,967	68,967
2 – 5 years			206,901	206,901
> 5 years			1,381,442	1,450,409
			<u>1,726,277</u>	<u>1,795,244</u>
21. FINANCIAL INSTRUMENTS			2016 £	2015 £
Financial Assets				
Financial assets measured at amortised cost			<u>398,794</u>	<u>387,347</u>
Financial Liabilities				
Financial liabilities measured at amortised cost			<u>440,576</u>	<u>516,262</u>
Financial assets measured at amortised cost comprises rental arrears and other debtors.				
Financial liabilities measured at amortised cost comprises bank overdrafts, other creditors and accrued charges.				
22. SHARE CAPITAL			2016 £	2015 £
Shares of £1 each allotted, issued and fully paid				
At 1 April 2015			47	45
Issued during year			5	3
			<u>52</u>	<u>48</u>
Cancelled during year			-	(1)
			<u>52</u>	<u>47</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends or on winding up. Each member has a right to vote at members' meetings.

Notes to the Financial Statements for the Year Ended 31 March 2016

23. CAPITAL COMMITMENTS	2016 £	2015 £
Contracted for	-	-
Approval by the Management Board but not contracted for	-	-
24. HOUSING STOCK	2016 £	2015 £
The number of units of accommodation owned by the Association was as follows:-		
Average number of units of special needs accommodation in management during the year was:		
	123	123
25. ACCOMMODATION MANAGED BY REGISTERED SOCIAL LANDLORD		
Average number of units of special needs accommodation in management during the year, owned or leased accommodation was as follows:		
	2016 No.	2015 No.
At start of year	297	290
At end of year	296	297
26. ACCOMMODATION MANAGED BY OTHERS		
Average number of units of special needs accommodation managed by others:		
	2016 No.	2015 No.
At start of year	27	27
At end of year	18	27
These units are managed by Glasgow City Council which pays a rental to the Association for these properties.		
27. OBLIGATIONS UNDER LEASE CONTRACTS		
	Land & Buildings	
	2016	Restated
	£	2015
Total commitments due within:		£
Within one year	333,636	365,212
Between one and two years	53,400	73,500
Between two and five years	68,250	104,775
	455,286	543,487

Notes to the Financial Statements for the Year Ended 31 March 2016

28. REVENUE GRANTS

Grants have been received from Glasgow City Council to supplement income for hostel accommodation in the sum of £72,000 (2015: £72,000).

29. LEGISLATIVE PROVISIONS

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and was incorporated in Scotland.

30. CONTINGENT LIABILITY

Blue Triangle (Glasgow) Housing Association Limited has received Housing Association Grants of £3,231,362 in respect of the purchase and renovation of certain properties. Should the sale of a property take place, the Association has an obligation to refund the specific grant relating to the property.

31. TRANSITION TO FRS 102

The Association has adopted Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2014: Statement of Recommended Practice for Social Housing Providers (SORP 2014) for the year ended 31 March 2016. This has led to a number of changes in accounting policies, judgements and estimates and necessitates the prior year comparative amounts to be restated using these new policies in order that they give a comparable view of the prior year position.

The following changes to accounting policies and estimates have been applied:

In accordance with FRS 102 the Association does not present an Income and Expenditure Account as was presented in the financial statements to 31 March 2015 as items that previously appeared in this statement are now included in the Statement of Comprehensive Income.

As permitted by FRS 102 the Association has renamed the Balance Sheet as the Statement of Financial Position.

As prescribed by FRS 102 the Association now prepares a Statement of Changes in Capital and Reserves whereas in the financial statements to 31 March 2015 capital and reserves were analysed as part of the notes to the financial statements.

Investment properties have been revalued at the transition date of 1 April 2014.

Government capital grants (Housing Association Grant) are now recognised in line with the accrual model. The accrual model results in the grant being recognised over the expected useful life of the housing property components (excluding land).

Depreciation of housing properties is now based on gross cost and not cost less Government capital grants.

Notes to the Financial Statements for the Year Ended 31 March 2016

31. TRANSITION TO FRS 102 (cont'd)

Restated Statement of Comprehensive Income for year ended 31 March 2015	£
Surplus per signed financial statements for year ended 31 March 2015	123,610
Effect of adjustment to release of Government Capital Grant over useful life of components of properties	68,967
Effect of adjustment to increase depreciation of properties to reflect gross cost	(52,039)
Effect of adjustment to incorporate depreciation of office premises	(11,089)
Restated Surplus for the year ended 31 March 2015 as at 31 March 2015	129,449

Restated Statement of Financial Position as at 31 March 2015	£
Capital and reserves as at 31 March 2015 per signed financial statements	3,671,451
Effect of adjustment to release of Government Capital Grant over useful life of components of properties at 1 April 2014	1,367,150
Effect of adjustment to increase depreciation of properties to reflect gross cost at 1 April 2014	(1,022,582)
Effect of adjustment to increase in value of investment property at 1 April 2014	6,216
Effect of adjustment to incorporate depreciation of office premises at 1 April 2014	(86,053)
Effect of adjustment to release of Government Capital Grant over useful life of components of properties in 2014/15	68,968
Effect of adjustment to increase depreciation of properties to reflect gross cost in 2014/15	(52,039)
Effect of adjustment to incorporate depreciation of office premises in 2014/15	(11,089)
Restated capital and reserves as at 31 March 2015	3,942,022

Restated Statement of Financial Position as at 31 March 2014	£
Capital and reserves as at 31 March 2014 per signed financial statements	3,547,840
Effect of adjustment to release of Government Capital Grant over useful life of components of properties	1,367,150
Effect of adjustment to increase depreciation of properties to reflect gross cost	(1,022,582)
Effect of adjustment to increase in value of investment properties	6,216
Effect of adjustment to incorporate depreciation of office premises	(86,053)
Restated capital and reserves as at 31 March 2014	3,812,571