

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE
LIMITED)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2015

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2015

INDEX

1. Advisers and Registered Office
- 2 - 3. Report of the Management Committee
4. Committee Statement on the Association's System of Internal Financial Control
5. Report by the Auditors to the Committee on Corporate Governance Matters
6. Report of the Independent Auditors
7. Income and Expenditure Account
8. Statement of Total Recognised Gains and Losses and Note of Historical Cost Surpluses and Deficits
9. Balance Sheet
- 10 - 22. Notes to the Financial Statements

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

ADVISERS AND REGISTERED OFFICE

FOR THE YEAR ENDED 31ST MARCH, 2015

Auditors

Armstrongs, Chartered Accountants
142 West Nile Street
Glasgow
G1 2RQ

Bankers

Clydesdale Bank plc
Head Office
30 St Vincent Street
Glasgow, G1

Legal advisors

T C Young
Solicitors
7 West George Street
Glasgow
G2 1BA

Registered Office

43 Tharsis Street
Glasgow
G21 2LF

Registration particulars

The Scottish Housing Regulator Registration Number:	HAC 233
Financial Conduct Authority Registration Number:	2379
Scottish Charity Number:	SC045357

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31ST MARCH, 2015

The Committee of Management present their report and the audited financial statements for the year ended 31st March, 2015.

Principal Activities

The principal activities of the Association are the provision, construction, improvement and management of rented and shared-ownership accommodation. The results for the year are as shown in the attached Income and Expenditure Account. The surplus for the year after taxation was £46,160 (2014 - £60,477).

Copperworks Housing Co-operative Limited converted to a charity registered in Scotland on 19th January 2015 and the Registered Charity Number is SC045357. Copperworks Housing Co-operative Limited is now known as Copperworks Housing Association Limited.

Changes in Fixed Assets

Details of changes in fixed assets are set out in Notes 12-13.

Review of Business and Future Developments

Throughout the year the Committee continued to direct the Association in carrying out its core business of providing, managing and maintaining affordable good quality rented accommodation.

The Committee of Management and Executive Officer

The Committee of Management and Executive Officer of the Association are as follows:-

Executive Officer

F. Murphy, the executive officer of Spire View Housing Association Limited provides executive management services on the basis of a service agreement.

Committee of Management

. G. McLaughlin	(Chairperson)	. V. Mullen	
. J. Laing	(Vice-Chairperson)	. C. Dioka	
. R. Gallagher	(Secretary)	. I. Doci	(Resigned 28.08.14)
. D. Gorman	(Treasurer)	. S. Akun	
. J. Brown		. C. Collins	
. M. Flynn		. G. Russell	(Resigned 29.04.14)
. F. Dioka			
. R. McLaughlin			

At the Annual General Meeting one third of all serving members of the Committee will retire from office and may stand for re-election (if eligible as per the model rules). The members to retire shall be those who have been longest in office since they last became members of the Committee, including those who have attained the age of seventy years or who have filled a casual vacancy.

Each member of the Committee of Management, with the exception of co-opted members, holds one fully paid share of £1 in the Association. The Executive Officer of the Association holds no interest in the Association's share capital and although not having the legal status of a director, acts as an executive within the authority delegated by the Committee.

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**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31ST MARCH, 2015/Cont...

Corporate Governance

The Association has complied throughout the accounting period with the Code of Best Practice published by the Cadbury Committee on the Financial Aspects of Corporate Governance in 1992.

In accordance with the requirements of Communities Scotland, the auditors have confirmed that they consider this statement appropriately reflects the Association's compliance with those paragraphs of the Code of Best Practice required to be reviewed by them. The auditors have also confirmed that, in their opinion, with respect to the Statement on Internal Financial Control below, the Management Committee have provided the disclosures required by Paragraph 4.5 of the Code of Best Practice as supplemented by the related guidance for Management Committee and such statement is not inconsistent with the information of which they are aware from their audit work on the Financial Statements.

Statement of Committee's Responsibilities

The Co-operative and Community Benefit Societies Act 2014 require the 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 income and expenditure of the Association for the year ended on that date. In preparing these financial statements, the Committee is 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 departures disclosed and explained in the financial statements;
- . Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business;
- . Prepare a statement on internal financial control.

The 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 it to ensure that the financial statements comply with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements April 2012. It is also responsible for safeguarding the assets of the Association and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to Disclosure of Information to Auditors

So far as the Committee are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Association's auditors are unaware, and each Committee Member has taken all the steps that he or she ought to have taken as a Committee Member in order to make himself or herself aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

Auditors

A resolution to appoint the auditors, Armstrongs, will be proposed at the Annual General Meeting.

By order of the Committee



Secretary

Dated : 25/03/2015

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

COMMITTEE STATEMENT ON THE ASSOCIATION'S

SYSTEM OF INTERNAL FINANCIAL CONTROL

FOR THE YEAR ENDED 31ST MARCH, 2015

The Committee 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;

• The safeguarding of assets (against unauthorised use or disposition).

It is the 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 misstatement or loss. Key elements include ensuring that:

• 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;

• Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;

• Forecasts and budgets are prepared regularly which allow the Committee and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term;

• Regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are 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 relevant sub-committees comprising Committee members and others;

• The Committee review reports from management, from directors, staff and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association;

• Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Committee have reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31st March 2015 and until the below date. 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.

By order of the Committee



Secretary

Dated : 25/05/2015

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

REPORT BY THE AUDITORS TO THE COMMITTEE

ON CORPORATE GOVERNANCE MATTERS

FOR THE YEAR ENDED 31ST MARCH, 2015

Corporate Governance

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

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. 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 four 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 enquiry of certain Committee members, directors and officers of the Association, and examination of relevant documents, we have satisfied ourselves that the 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 contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



Adam Armstrong, LLB, CA, (Senior Statutory Auditor),
for and on behalf of Armstrongs,
Statutory Auditor,
Chartered Accountants,
Victoria Chambers,
142, West Nile Street,
Glasgow,
G1 2RQ.

Date: 22nd September 2015

REPORT OF THE INDEPENDENT AUDITORS TO

THE MEMBERS OF COPPERWORKS HOUSING ASSOCIATION LIMITED (FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)

We have audited the financial statements of Copperworks Housing Association Limited for the year ended 31st March 2015 which comprise the Income and Expenditure Account, Statement of Total Recognised Gains and Losses, Note of Historical Surpluses and Deficits, the Balance Sheet and the related notes one to twenty eight. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members, as a body, in accordance with Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Committee and Auditors

As explained more fully in the Statement of Committee's Responsibilities set out on page three, the Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of 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 Committee; and the overall presentation of the financial statements.

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 31st March 2015 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, Schedule 1, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements April 2012.

Matters on which we are required to report

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Committee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Adam Armstrong, LLB, CA, (Senior Statutory Auditor),
for and on behalf of Armstrongs,
Statutory Auditor,
Chartered Accountants,
Victoria Chambers,
142, West Nile Street,
Glasgow,
G1 2RQ.

Dated : 22nd September 2015

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2015

	Notes	2015 £	2014 £
Turnover	2	888,942	841,592
Operating Costs	2	786,846	707,722
Operating Surplus	8	<u>102,096</u>	<u>133,870</u>
Loss on Disposal of Housing Property	5	(9,399)	-
Interest Receivable and Other Income	9	1,098	858
Interest Payable and Similar Charges	10	(27,737)	(27,658)
Surplus on ordinary activities before taxation		<u>66,058</u>	<u>107,070</u>
Tax on (charge)/credit on ordinary activities	11	(19,898)	(46,593)
Surplus on ordinary activities after taxation		<u><u>46,160</u></u>	<u><u>60,477</u></u>

The results for the year relate wholly to continuing activities.

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31ST MARCH 2015

	2015	2014
	£	£
Surplus for the financial year	46,160	60,477
Total gains and losses recognised since last annual report	<u>46,160</u>	<u>60,477</u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS

FOR THE YEAR ENDED 31ST MARCH 2015

	2015	2014
	£	£
Reported surplus on ordinary activities before taxation	66,058	107,070
Difference between historical cost depreciation and the actual charge for the year calculated on the revalued amount	75,820	45,015
Realisation of property revaluation gains of previous years	22,912	-
Historical cost surplus on ordinary activities before taxation	<u>164,790</u>	<u>152,085</u>
Historical cost surplus on ordinary activities after taxation	<u>144,892</u>	<u>105,492</u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

BALANCE SHEET

AS AT 31ST MARCH, 2015

	Notes	2015 £	2014 £
Tangible Fixed Assets			
Housing Properties	12	7,966,236	8,045,893
Other	13	<u>110,020</u>	<u>113,394</u>
		<u>8,076,256</u>	<u>8,159,287</u>
Current Assets			
Investments	14	1,144,795	955,178
Debtors	15	124,378	102,368
Cash at Bank and in Hand		<u>21,967</u>	<u>50,119</u>
		1,291,140	1,107,665
Creditors : amounts falling due within one year	16	(283,526)	(182,323)
Net Current Assets/(Liabilities)		<u>1,007,614</u>	<u>925,342</u>
Total Assets less Current Liabilities		9,083,870	9,084,629
Creditors : amounts falling due after more than one year	17	(1,088,982)	(1,135,907)
Net Assets		<u>7,994,888</u>	<u>7,948,722</u>
Capital and Reserves			
Share Capital	18	190	184
Designated Reserves	19	490,095	490,095
Revaluation Reserve	20	6,133,252	6,231,984
Accumulated Surplus	23	<u>1,371,351</u>	<u>1,226,459</u>
		<u>7,994,888</u>	<u>7,948,722</u>

These financial statements were approved by the Committee on and signed on 25/03/2015 on their behalf by:

Chairperson *G. McLaughlin*

Committee Member *Denis Gorman*

Secretary *R. Galley*

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2015

1. Principal Accounting Policies

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered by the Financial Conduct Authority.

The financial statements have been prepared under the historical cost convention in accordance with applicable Accounting Standards, the Statement of Recommended Practice: Accounting by Registered Social Landlords Update, issued by the Scottish Federation of Housing Associations in October 2010 and the Determination of Accounting Requirements April 2012. A summary of the more important accounting policies is set out below.

Turnover

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

Housing Properties

Housing Properties are stated at cost, less social housing and other public grants and less accumulated depreciation. Completed housing properties are professionally valued on an existing use basis. Surpluses and deficits are reflected in the revaluation reserve. Permanent diminutions in the value of housing property are eliminated first against any revaluation reserve in respect of that property with any excess being charged to the Income and Expenditure account.

Improvements are capitalised where these result in an enhancement of the economic benefits of the property. Such enhancement can occur if the improvements result in an increase in rental income, a material reduction in future maintenance costs or a significant extension of the life of the property. Works to existing properties, which fail to meet the above criteria, are charged to the Income and Expenditure Account.

Reviews for impairment of housing properties are carried out regularly and any impairment in an income-generating unit is recognised by a charge to the Income and Expenditure Account. Impairment is recognised where the carrying value of an income-generating unit exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows from these units. Impairment of assets would be recognised in the Income and Expenditure Account.

Depreciation - housing properties

Properties other than heritable land are depreciated in accordance with FRS15 at rates calculated to reduce net book value of each component of the property to its estimated residual value, on a straight line basis, over the expected remaining life of the component. Heritable land is not depreciated. The estimated useful lives of the assets and components is shown in the table below.

Building	100 years	Radiators	30 years
Roof	50 years	Boilers	15 years
Electrical systems	30 years	Bathrooms	22 years
Windows	30 years	Kitchens	15 years

Other Fixed Assets

Other fixed assets are stated at cost less accumulated depreciation. Depreciation is charged by equal instalments commencing with the year of acquisition at rates estimated to write off costs less any residual value over the expected economic useful lives at annual rates :-

Furniture and Fittings	- 20% Reducing Balance
Computer Equipment	- 33% Straight Line
Offices	- 2% Straight Line

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2015

1. Principal Accounting Policies/Cont...

Social Housing Grant and Other Grants

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

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

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

Capitalisation of Interest

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

Sales of Housing Properties

First tranche Shared Ownership disposals are credited against the cost of Shared Ownership property in accordance with the Statement of Recommended Practice.

Surpluses and deficits on the sale of housing properties, including second and subsequent tranches of Shared Ownership properties are accounted for in the Income and Expenditure account in the year of disposal.

The surplus or deficit is shown on the face of the Income and Expenditure Account.

Stock and Work in Progress

Work in progress consists of properties developed for resale by the Association, and has been valued at the lower of cost, net of related grants, and resale value.

Designated Reserves

The Association has designated part of its long term obligations as follows :-

Planned Maintenance

The reserve is based on the Association's ability to maintain its properties in accordance with a planned programme of works provided it will not be met from revenue in the year in which it is incurred.

The Association maintains its housing properties in a state of repair which at least maintains their residual value in prices prevailing at the time of acquisition and construction. Provision is made for such future repair expenditure by transfers to this reserve. Previously for some schemes the reserve was established by transfers from the Rent Surplus Fund as directed by the Scottish Housing Regulator.

Development Administration Costs

Administration expenses which relate to development and are incremental to the other costs on the Association are capitalised.

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2015

1. Principal Accounting Policies/Cont...

Mortgages

Mortgage loans are advanced by Private Lenders, Local Authorities or the Scottish Housing Regulator under the terms of individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments which have been given approval by the Scottish Development Department or the Scottish Housing Regulator.

Pension Costs

The Association participated until July 2014 in the centralised Scottish Housing Associations' defined benefit pension scheme and retirement benefits to employees of the Association are funded by contributions from all participating employers and employees in the scheme. Payments were made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Associations taken as a whole. The expected costs to the Association of pension are charged to the Income and Expenditure account so as to spread the cost of pensions over the service lives of employees.

The Association from July 2014 agreed to participate in a defined contribution pension scheme with Scottish Housing Associations Pension Scheme. This scheme replaces the defined benefit scheme. The costs to the Association of such pension contributions are charged to the Income and Expenditure account.

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2015/Cont...

2. Particulars of Turnover, Operating Costs and Operating Surpluses

	2015		
	Turnover	Operating	Operating
	£	Costs	Surplus
		£	£
Social Lettings	865,343	765,996	99,347
Other Activities	23,599	20,850	2,749
Total	<u><u>888,942</u></u>	<u><u>786,846</u></u>	<u><u>102,096</u></u>
	2014		
	Turnover	Operating	Operating
	£	Costs	Surplus
		£	£
Social Lettings	834,152	705,847	128,305
Other Activities	7,440	1,875	5,565
Total	<u><u>841,592</u></u>	<u><u>707,722</u></u>	<u><u>133,870</u></u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2015/Cont...

3. Particulars of Income and Expenditure from Lettings

	General Needs Housing £	2014 Total £
Income from Lettings		
Rent receivable net of identifiable service charges	867,774	836,408
Less: voids	(2,431)	(2,256)
Total turnover from social letting activities	<u>865,343</u>	<u>834,152</u>
Expenditure on Lettings		
Management and maintenance administration costs	433,058	453,413
Reactive Maintenance	63,305	60,790
Planned and cyclical maintenance including major repairs	113,903	71,188
Depreciation of social housing	155,852	116,626
Bad Debts/(credit balances written back - rents)	(122)	3,830
Operating costs for social letting activities	<u>765,996</u>	<u>705,847</u>
Operating surplus for social lettings for 2015	<u>99,347</u>	<u>128,305</u>
Operating surplus for social lettings for 2014	<u>128,305</u>	

No service charges were receivable on housing accommodation not eligible for Housing Benefit £Nil (2014 - £Nil).

4. Particulars of Turnover, Operating Costs and Surpluses from Other Activities

	Other Income £	Operating Costs £	Operating Surplus/ Deficit 2015 £	Operating Surplus/ Deficit 2014 £
Factoring	7,850	1,875	5,975	5,564
Grants Scottish Ministers	1,720	-	1,720	-
Other	4	-	4	1
Wider Action	14,025	18,975	(4,950)	-
Total for Other Activities 2015	<u>23,599</u>	<u>20,850</u>	<u>2,749</u>	<u>5,565</u>
Total for Other Activities 2014	<u>7,440</u>	<u>1,875</u>	<u>5,565</u>	

5. Loss on Disposal of Property

	2015 £	2014 £
Proceeds from sale of property	<u>17,400</u>	<u>-</u>
Value of property	26,600	-
Other costs	199	-
	<u>26,799</u>	<u>-</u>
Loss on disposal of property	<u>9,399</u>	<u>-</u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2015/Cont...

6. Directors Emoluments

The remuneration paid to the directors (defined as the Committee of Management and Chief Executive of Copperworks Housing Association Limited) was:-

	2015	2014
	£	£
Total Emoluments (including pension contributions and benefits in kind)	<u> -</u>	<u> -</u>
Total Emoluments (excluding pension contributions) to the highest paid director amounted to	<u> -</u>	<u> -</u>
The Association is managed by a voluntary Management Committee who act as directors of the Association. No emoluments were paid to any member of the Management Committee during the year.		
Total expenses reimbursed to the Committee in so far as not chargeable to United Kingdom Income Tax	<u> 1,104</u>	<u> 1,124</u>

7. Employee Information

The monthly average number of full time equivalent employees during the year was :-

	2015	2014
The monthly average number of full time equivalent employees during the year was :-	<u> 6</u>	<u> 6</u>
Staff costs (including Executive Emoluments)		
Wages and Salaries	152,589	173,244
Social Security Costs	14,225	12,888
Pension Contributions	53,020	28,438
	<u>219,834</u>	<u>214,570</u>

8. Operating Surplus

Operating surplus is stated after charging (crediting):-

	2015	2014
	£	£
Depreciation - Property	155,852	116,626
- Other Assets	3,965	9,819
Auditor's Remuneration - External	5,120	5,480
Bad Debts (credit balances written back - rents)	<u>(122)</u>	<u> 2,830</u>

9. Interest Receivable and Similar Income

Interest Receivable

	2015	2014
	£	£
Interest Receivable	<u> 1,098</u>	<u> 858</u>

10. Interest Payable and Similar Charges

Other interest payable

	2015	2014
	£	£
Other interest payable	<u> 27,737</u>	<u> 27,658</u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2015/Cont...

11. Taxation

Analysis of the tax (credit)/charge	2015	2014
	£	£
UK Corporation Tax at 20% (2014 - 20%)	<u>19,898</u>	<u>46,593</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2015	2014
	£	£
Surplus on ordinary activities before tax	<u>66,058</u>	<u>107,070</u>
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 20%)	13,212	21,414
Effects of:		
Depreciation in excess of capital allowances and component replacement	11,404	25,179
Treatment of the disposal of property	4,435	-
Element of adjusted profit not subject to taxation	(9,153)	-
Current tax charge	<u>19,898</u>	<u>46,593</u>

Copperworks Housing Association Limited converted to a charity registered in Scotland on 19th January 2015 and from that date it is no longer subject to taxation.

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2015/Cont...

12. Tangible Fixed Assets - Housing Properties

	Housing Property held for Letting £	Environment Works £	Total £
Cost (Net of Grants) or Valuation			
At 01.04.14	7,955,719	243,294	8,199,013
Additions in year	162,283	-	162,283
Disposals in year	(96,912)	-	(96,912)
At 31.03.15	<u>8,021,090</u>	<u>243,294</u>	<u>8,264,384</u>
Depreciation			
At 01.04.14	114,193	38,927	153,120
Charge for Year	153,419	2,433	155,852
Disposals in year	(10,824)	-	(10,824)
At 31.03.15	<u>256,788</u>	<u>41,360</u>	<u>298,148</u>
Net Book Value at 31.03.15	<u>7,764,302</u>	<u>201,934</u>	<u>7,966,236</u>
Net Book Value at 31.03.14	<u>7,841,526</u>	<u>204,367</u>	<u>8,045,893</u>

No development administration costs were capitalised during the year.

Completed housing properties were revalued on the basis of existing use value for social housing at 22nd May 2013 by Allied Surveyors Scotland Plc. The valuation report has been made in accordance with the RICS Appraisal and Valuation Manual. The Committee do not believe that the values would have been materially different at the balance sheet date.

If housing property had not been revalued, it would have been shown as the following.

	2015 £	2014 £
Cost of Properties	13,851,724	13,804,089
Less: Social Housing and Other Grants	<u>11,213,797</u>	<u>11,248,533</u>
	2,637,927	2,555,556
Less: Depreciation	<u>811,002</u>	<u>744,227</u>
	<u>1,826,925</u>	<u>1,811,329</u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2015/Cont...

13. Tangible Fixed Assets - Other Fixed Assets

	Office Premises £	Fixtures & Fittings £	Computer Equipment £	Total £
Cost				
At 01.04.14	171,082	52,966	13,359	237,407
Additions in year	-	591	-	591
At 31.03.15	<u>171,082</u>	<u>53,557</u>	<u>13,359</u>	<u>237,998</u>
Depreciation				
At 01.04.14	59,811	50,843	13,359	124,013
Charge for the year	3,422	543	-	3,965
At 31.03.15	<u>63,233</u>	<u>51,386</u>	<u>13,359</u>	<u>127,978</u>
Net book value at 31.03.15	<u>107,849</u>	<u>2,171</u>	<u>-</u>	<u>110,020</u>
Net book value at 31.03.14	<u>111,271</u>	<u>2,123</u>	<u>-</u>	<u>113,394</u>

14. Investments

	2015 £	2014 £
Deposit Accounts	<u>1,144,795</u>	<u>955,178</u>

15. Debtors

	2015 £	2014 £
Rental Debtors	31,217	28,375
Prepayments and Accrued Income	56,232	47,345
Other Debtors	36,929	26,648
	<u>124,378</u>	<u>102,368</u>

16. Creditors due within one year

	2015 £	2014 £
Loans	46,404	45,391
Rent Overpayments	34,216	36,186
Trade Creditors	38,322	24,816
Other Creditors	139,581	26,269
Taxation	19,898	46,593
Other taxes and social security	5,105	3,068
	<u>283,526</u>	<u>182,323</u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2015/Cont...

17. Creditors due outwith one year

	2015 £	2014 £
Loans	<u>1,088,982</u>	<u>1,135,907</u>

Loans are secured by specific charges on the Association's properties and repayable at rates of interest ranging from 1.392% to 2.255% (2014 - 1.392% to 2.255%), and will mature over a period of one to twenty one years in instalments as follows:-

	2015 £	2014 £
Loans		
Between one and two years	47,461	46,425
Between two and five years	148,972	145,720
In five years or more	892,549	943,762
	<u>1,088,982</u>	<u>1,135,907</u>

18. Share Capital

	2015	2014
Ordinary Shares of £1 each		
Allotted, issued and fully paid		
At 01.04.14	184	176
Issued during year	12	9
Forfeited during year	(6)	(1)
Balance at 31.03.15	<u>190</u>	<u>184</u>

Each shareholder of the Association holds only one share and is entitled to vote at general meetings of the Association. These shares carry no right to dividend or distribution 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 member meetings.

19. Designated Reserves

	Planned Maintenance Reserve £
Balance at 01.04.14	490,095
Transfers : to Income & Expenditure A/c	-
Balance at 31.03.15	<u>490,095</u>

20. Revaluation Reserve

	2015 £	2014 £
At 01.04.14	6,231,984	6,276,999
Transferred on Disposal of Properties	(22,912)	-
Depreciation Adjustment	(75,820)	(45,015)
At 31.03.15	<u>6,133,252</u>	<u>6,231,984</u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2015/Cont...

21. Pensions

The Association ended its participation in the Scottish Housing Association's Pension Scheme, defined benefit scheme.

The Association participates in the Scottish Housing Associations' Pension Scheme ('the Scheme'). The Scheme is funded and is contracted-out of the State Pension scheme.

The Scheme offers six benefit structures to employers, namely:

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

The Association has elected to discontinue the final salary scheme and operate the DC benefit option for active members with effect from July 2014.

During the accounting period Copperworks Housing Association Limited paid contributions at the rate of 9.6% to 12.3% of pensionable salaries. Member contributions varied between 4.6% and 12.3%.

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

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

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

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30th September 2014. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £539 million and indicated a decrease in the shortfall of assets compared to liabilities to approximately £281 million, equivalent to a past service funding level of 66%.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

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

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

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2015/Cont...

21. Pensions/Cont...

The Association has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scottish Housing Associations' Pension Scheme based on the financial position of the Scheme as at 30th September 2014. As of this date the estimated employer debt for the Association was £1,457,001.

The total pension cost for the Association was £53,020 (2014: £28,438) of which £4,662 (2014: £2,155) was unpaid and is included in Creditors.

22. Legislative Provisions

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

23. Reconciliation of movement in accumulated surplus

	2015	2014
	£	£
Revenue Reserve b/fwd	1,226,459	1,120,967
Surplus for the year	46,160	60,477
Transfer from revaluation reserve	98,732	45,015
	<u>1,371,351</u>	<u>1,226,459</u>

24. Contingent Liability

The Association purchased stock from Communities Scotland during 1997. The purchase price for the stock was calculated in accordance with a 30 year discounted cash flow. However, because of the contractual sale terms imposed by Communities Scotland, there is potential for further payment over this period in respect of Right-to-Buy sales exceeding projections or major repairs spend being less than forecast. The Scottish Government has confirmed the process to be adopted that will result in cessation of contract agreements. This process is currently being followed by the Association and it is expected that no liability shall arise in respect of any repayments to the Scottish Government.

25. Housing Stock

	2015	2014
The number of units of accommodation in management at the year end was :-		
General Needs - Rehabilitation	<u>271</u>	<u>272</u>

26. Related Party Transactions

There are members of the Management Committee who are tenants of the Association. Their tenancies are held on the normal tenancy terms and they cannot use their positions to their advantage.

F Murphy is the executive officer of Spire View Housing Association Limited. During the year Spire View Housing Association Limited provided management and other services at a cost of £57,223 (2014 - £55,242). At the year end £45,087 (2014 - £13,267) was outstanding and is included in creditors due within one year.

Copperworks Housing Association Limited provided services to Spire View Housing Association Limited at a value of £28,798 (2014 - £21,010). At the year end £23,866 (2014 - £12,121) was outstanding and is included in debtors.

Copperworks Housing Association Limited incurred a cost of £6,686 on behalf of Spire View Housing Association Limited. At the year end this amount was outstanding and is included in debtors.

**COPPERWORKS HOUSING ASSOCIATION LIMITED
(FORMERLY COPPERWORKS HOUSING CO-OPERATIVE LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2015/Cont...

27. Capital Commitments

	2015	2014
	£	£
Expenditure authorised and contracted less certified	<u>-</u>	<u>-</u>

28. Finance Leases

Obligations under hire purchase contracts and finance leases:-

	2015	2014
	£	£
Finance lease due within one year	1,127	1,127
Finance leases due between one and five years	<u>2,254</u>	<u>2,254</u>
	<u>3,381</u>	<u>3,381</u>