

# Craigdale Housing Association Limited

**Report and Financial Statements**

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

**Registered Housing Association No.HCB95**

**FCA Reference No. 2296R (S)**

**Scottish Charity No. SC031879**

# CRAIGDALE HOUSING ASSOCIATION LIMITED

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# CRAIGDALE HOUSING ASSOCIATION LIMITED

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

### MANAGEMENT COMMITTEE

Christine McCormack	Appointed as Chairperson April 2016
Morag Cameron	Chairperson until April 2016, now Vice Chairperson
Patsy Beaton	Vice Chairperson until April 2016 - Resigned from Committee April 2016
Pat Bowden	Appointed as Secretary April 2016
Margaret Welsh	Treasurer
Marie Lawrence	Resigned September 2015
Lee Kerr	
Brenda Coyle	
Clare Keenan	
Karen Reid	Resigned March 2016
Patricia Young	
Marie Wallace	Co-optee

### EXECUTIVE OFFICERS

Anne-Marie Brown	Director, commenced 1 June 2015
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### REGISTERED OFFICE

83-85 Dougrie Road  
Castlemilk  
Glasgow  
G45 9NS

### AUDITORS

Alexander Sloan  
Chartered Accountants  
38 Cadogan Street  
Glasgow  
G2 7HF

### BANKERS

Bank of Scotland  
82 Main Street  
Rutherglen  
Glasgow  
G73 2HZ

### SOLICITORS

Brechin Tindall Oats  
48 St Vincent Street  
Glasgow  
G2 5HS

### FINANCE AGENTS

FMD Financial Services  
Unit 29, Ladyloan Place  
Drumchapel  
G15 8LB

# CRAIGDALE HOUSING ASSOCIATION LIMITED

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

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

### **Legal Status**

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.2296R (S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC031879.

### **Principal Activities**

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

The Association's objectives are:

1. to provide for the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage through the provision, construction, improvement and management of land and accommodation and the provision of care; and
2. any other purpose or object permitted under Section 24 of the Housing (Scotland) Act 2010, which is charitable both for the purposes of Section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and also in relation to the application of the Taxes Acts.

### **Review of Business and Future Developments**

#### **Review of the Year**

Craigdale has seen a lot of change over the last year, including the appointment of a new Director. The staff and the Management Committee of the Association have continued to work hard during the year to provide excellent services to all our tenants, owners and other service users.

We currently have 366 social rented properties; 6 shared owners and we provide factoring services to 20 home owners.

#### **Housing Management**

Our Housing Services Team had another busy and successful year, particularly in achieving all the targets set by the Association.

We re-let 34 properties during the year; we took on average 0.06 days to re-let properties, as a result our void loss was zero, and our gross rent arrears were 1.6% of our annual rental income. Staff dealt with 17 complaints of anti-social behaviour and all were resolved without recourse of court action or eviction. Our staff continue to carry out weekly estate management visits to our properties to ensure our high standards are maintained.

#### **Maintenance**

The Association continued to provide an excellent repairs service to our tenants. In total, tenants reported 1456 repairs and 98% of our reactive repairs were completed right first time. We continue to invest in our properties through our cyclical and planned maintenance works, which this year included installing 67 new kitchens.

#### **Tenant Participation**

Our Tenants Panel worked with us to produce our Tenant's Report Card, summarising key information from the Association's Annual Return on the Charter.

Tenants, staff and Committee still have the opportunity to make comments and discuss policies prior to full Management Committee approval. Some of the documents we reviewed this year were:

- Code of Conduct for both staff and Committee
- Staff Expenses
- Staff TOIL
- Payments, Benefits & Entitlements

# CRAIGDALE HOUSING ASSOCIATION LIMITED

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

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

#### Community Involvement

We take great pride in organising community events, which are **free** of charge for our tenants and their families. Our Community Group arranged the following during the year:

- Recycled Teenagers Away Day to Ayr
- Vouchers for Father's Day
- Teenage Kicks Scotkart trip
- Family Day out to M & Ds
- Family Fun Day
- Halloween Party
- Christmas Grotto
- Tenant's Christmas Party
- Twelve Days of Christmas with cash prizes
- Good Neighbour Award
- Vouchers for Mother's Day treat
- Easter Eggs

We received funding from the Big Lottery through Awards for All and we have just finalised our Community Action Plan from the community consultation process that we carried out during the year.

#### Governance

During the year we have been carrying out a review of our governance processes, making sure we are complying with the Scottish Housing Regulator's Regulatory Standards. For example, we adopted new Model Rules and we have appointed a new Internal Auditor. We are also developing a new Business Plan, Asset Management Strategy and reviewing our approach to risk management.

Our Committee has completed a Training Needs Analysis and we have been carrying out quite a bit of training relating to governance.

# CRAIGDALE HOUSING ASSOCIATION LIMITED

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

### Management Committee and Executive Officers

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

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

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

### Statement of Management Committee's Responsibilities

The Co-operative and Community Benefit Act 2014 require the Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those Financial Statements, the Management Committee is required to:-

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

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to: ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements - 2015. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

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

In so far as the Management Committee are aware:

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

# CRAIGDALE HOUSING ASSOCIATION LIMITED

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

### Statement on Internal Financial Control

The Management Committee acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

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

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

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- Quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- the Management Committee receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2016. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

### Auditors

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

### By order of the Management Committee



**PAT BOWDEN**

Secretary

21 June 2016

# CRAIGDALE HOUSING ASSOCIATION LIMITED

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



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

### **Basis of Opinion**

We carried out our review having regard to the requirements relating to corporate governance matters within Bulletin 2006/5 issued by the Auditing Practices Board. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

### **Opinion**

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

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

*Alexander Sloan*

**ALEXANDER SLOAN**  
Chartered Accountants

GLASGOW  
21 June 2016



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

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

#### **Respective Responsibilities of Management Committee and Auditors**

As explained more fully in the Statement of Management Committee's Responsibilities the Association's Management Committee, are responsible for the preparation of the Financial Statements that give a true and fair view.

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

#### **Scope of the audit on the Financial Statements**

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

#### **Opinion on the financial statements**

In our opinion the Financial Statements:

- give a true and fair view of the state of the Association's affairs as at 31st March 2016 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice: and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements 2015.

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

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**Matters on which we are required to report by exception**

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

- the information given in the Management Committee's Report is inconsistent with the financial statements.
- proper books of account have not been kept by the Association in accordance with the requirements of the legislation.
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation.
- the Statement of Comprehensive Income to which our report relates, and the Statement of Financial Position are not in agreement with the books of the Association.
- we have not received all the information and explanations necessary for the purposes of our audit.

We have nothing to report in respect of these matters.

*Alexander Sloan*

**ALEXANDER SLOAN**  
Chartered Accountants  
Statutory Auditors  
GLASGOW  
21 June 2016

# CRAIGDALE HOUSING ASSOCIATION LIMITED

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

	Notes	2016 £	2015 £
REVENUE	2.	1,807,180	1,713,050
Operating Costs	2.	(1,292,384)	(1,164,476)
<b>OPERATING SURPLUS</b>	9.	<b>514,796</b>	<b>548,574</b>
Loss On Sale Of Housing Stock	7.	-	(20,744)
Interest Receivable and Other Income		14,293	15,535
Interest Payable and Similar Charges	8.	(51,847)	(56,472)
Other Finance Charges	11.	(15,167)	(11,903)
		(52,721)	(73,584)
<b>SURPLUS FOR YEAR</b>		<b>462,075</b>	<b>474,990</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>462,075</b>	<b>474,990</b>
Tax on surplus on ordinary activities	10.	-	-
<b>SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>462,075</b>	<b>474,990</b>

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

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

# CRAIGDALE HOUSING ASSOCIATION LIMITED

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

	Notes	2016		2015	
		£	£	£	£
<b>NON-CURRENT ASSETS</b>					
Housing Properties - Depreciated Cost	12.(a)		17,258,241		17,540,932
Other Non Current Assets	12.(b)		227,921		234,751
			<u>17,486,162</u>		<u>17,775,683</u>
<b>CURRENT ASSETS</b>					
Receivables	13	31,356		36,756	
Investments	23	1,344,060		1,182,385	
Cash at bank and in hand		519,418		564,430	
		<u>1,894,834</u>		<u>1,783,571</u>	
<b>CREDITORS: Amounts falling due within one year</b>	14.	<b>(403,178)</b>		<b>(406,367)</b>	
<b>NET CURRENT ASSETS</b>			<u>1,491,656</u>		<u>1,377,204</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>18,977,818</u>		<u>19,152,887</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	15.	<b>(2,636,979)</b>		<b>(2,855,056)</b>	
<b>DEFERRED INCOME</b>					
Social Housing Grants	17.	(10,993,321)		(11,405,508)	
Other Grants	17.	(219,520)		(226,380)	
			<u>(11,212,841)</u>		<u>(11,631,888)</u>
<b>NET ASSETS</b>			<u>5,127,998</u>		<u>4,665,943</u>
<b>EQUITY</b>					
Share Capital	18.		150		170
Revenue Reserves			5,127,848		4,665,773
			<u>5,127,998</u>		<u>4,665,943</u>

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

The Financial Statements were approved by the Management Committee and authorised for issue and signed on their behalf on 21 June 2016.

  
Chairperson

  
Vice-Chairperson

  
Secretary

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

# CRAIGDALE HOUSING ASSOCIATION LIMITED

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

	Notes	2016 £	2015 £
Net Cash Inflow from Operating Activities	16.	602,858	618,365
<b>Investing Activities</b>			
Acquisition and Construction of Properties		(253,586)	(49,378)
Purchase of Other Fixed Assets		(7,632)	(69,255)
Social Housing Grant Repaid		-	(7,874)
Changes on short term deposits with banks		(161,675)	136,484
Proceeds on Disposal of Properties		-	16,882
Net Cash (Outflow) / Inflow from Investing Activities		(422,893)	26,859
<b>Financing Activities</b>			
Interest Received on Cash and Cash Equivalents		14,293	15,535
Interest Paid on Loans		(51,847)	(56,472)
Loan Principal Repayments		(187,425)	(389,700)
Share Capital Issued		2	4
Net Cash Outflow from Financing		(224,977)	(430,633)
(Decrease) / Increase in Cash		(45,012)	214,591
Opening Cash & Cash Equivalents		564,430	349,839
Closing Cash & Cash Equivalents		519,418	564,430
<b>Cash and Cash equivalents as at 31 March 2016.</b>			
Cash		519,418	564,430
Bank overdraft		-	-
		519,418	564,430

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

# CRAIGDALE HOUSING ASSOCIATION LIMITED

## STATEMENT OF CHANGES IN EQUITY

31st MARCH 2016

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1st April 2014	171	4,190,783	4,190,954
Issue of Shares	4		4
Cancellation of Shares	(5)		(5)
Surplus for the year		474,990	474,990
Balance as at 31st March 2015	<u>170</u>	<u>4,665,773</u>	<u>4,665,943</u>
Balance as at 1st April 2015	170	4,665,773	4,665,943
Issue of Shares	2		2
Cancellation of Shares	(22)		(22)
Surplus for Year		462,075	462,075
Balance as at 31st March 2016	<u>150</u>	<u>5,127,848</u>	<u>5,127,998</u>

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

# CRAIGDALE HOUSING ASSOCIATION LIMITED

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## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS

#### 1 PRINCIPAL ACCOUNTING POLICIES

##### Statement of Compliance

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

##### Revenue

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

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

##### Retirement Benefits

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

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

##### Valuation Of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 12. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

<i>Component</i>	<i>Useful Economic Life</i>
Structure	50 years
Windows	25 years
Central Heating	10 years
Kitchens	20 years
Bathroom	25 years

# CRAIGDALE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

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

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

Office Premises	- 2% Straight Line
Furniture and Fittings	- 25% Straight Line
Computer Equipment	- 33.335 Straight Line
Office Equipment	- 20% Straight Line

The carrying value of non-current assets are reviewed for impairment at the end of each reporting period.

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

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

When components are replaced, remaining deferred Social Housing Grant on these components is written off to the Statement of Comprehensive Income.

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

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

##### **Sales Of Housing Properties**

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

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

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

##### **Financial Instruments - Basic**

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

The Association's debt instruments are measured at amortised cost using the effective interest rate method. The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Committee to exercise judgement in applying Craigdables Housing Association's Accounting Policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, are disclosed below:

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

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

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

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

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

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

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

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



# CRAIGDALE HOUSING ASSOCIATION LIMITED

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

### 1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

#### **Key Judgements made in the application of Accounting Policies (continued)**

##### *d) Pension Liability*

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

##### **Estimation Uncertainty**

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

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

##### *Life Cycle of Components*

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

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

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

##### *Costs of shared ownership*

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

# CRAIGDALE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Notes	2016			2015			
	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	
Affordable letting activities	3.	1,800,780	1,281,484	519,296	1,708,775	1,157,291	551,484
Other Activities	4.	6,400	10,900	(4,500)	4,275	7,185	(2,910)
<b>Total</b>		<b>1,807,180</b>	<b>1,292,384</b>	<b>514,796</b>	<b>1,713,050</b>	<b>1,164,476</b>	<b>548,574</b>

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

	General Needs Housing £	Shared ownership £	2016 Total £	Restated 2015 Total £
<b>Revenue from Lettings</b>				
Rent Receivable Net of Service Charges	1,357,172	11,965	<b>1,369,137</b>	1,339,377
<b>Gross Income from rent and service charges</b>	1,357,172	11,965	<b>1,369,137</b>	1,339,377
Less: Rent losses from voids	35	-	<b>35</b>	44
<b>Net Rents Receivable</b>	1,357,137	11,965	<b>1,369,102</b>	1,339,333
Grants released from deferred income	419,047	-	<b>419,047</b>	364,227
Revenue grants from Scottish Ministers	12,631	-	<b>12,631</b>	5,215
<b>Total turnover from affordable letting activities</b>	<b>1,788,815</b>	<b>11,965</b>	<b>1,800,780</b>	1,708,775
<b>Expenditure on affordable letting activities</b>				
Management and maintenance administration costs	461,393	-	<b>461,393</b>	477,494
Planned and cyclical maintenance, including major repairs	178,005	-	<b>178,005</b>	141,535
Reactive maintenance costs	102,571	-	<b>102,571</b>	68,969
Bad Debts - rents and service charges	3,239	-	<b>3,239</b>	6,741
Depreciation of affordable let properties	530,860	5,416	<b>536,276</b>	462,552
<b>Operating costs of affordable letting activities</b>	<b>1,276,068</b>	<b>5,416</b>	<b>1,281,484</b>	1,157,291
<b>Operating surplus on affordable letting activities</b>	<b>512,747</b>	<b>6,549</b>	<b>519,296</b>	551,484
<b>2015</b>	<b>541,194</b>	<b>10,290</b>		

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

# CRAIGDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	£	£	£	£	£	£	£	£	£	£	£	£
	Grants From Scottish Ministers	Other Revenue Grants	Subsiding People Income	Other Income	Operating Costs	Operating Costs (Bad Debts)	Operating Costs (Other)	Operating Costs (Total)	Operating Surplus (Deficit) 2016	Operating Surplus (Deficit) 2015		
Wider Role Activities	-	-	-	-	-	-	-	-	4,500	(4,500)	-	-
Factoring	-	-	-	-	1,415	-	-	1,415	1,415	-	-	-
Development and construction of property activities	-	4,985	-	-	4,985	-	-	4,985	4,985	-	2,910	2,910
<b>Total From Other Activities</b>	-	4,985	-	-	6,400	-	-	6,400	10,900	(4,500)	2,910	2,910
2015	-	2,910	-	-	4,275	5,820	-	10,095	1,365	(2,910)	-	-

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

# CRAIGDALE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 5. OFFICERS' EMOLUMENTS

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

Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)

Pension contributions made on behalf on Officers with emoluments greater than £60,000

Emoluments payable to Chief Executive (excluding pension contributions)

Total Compensation paid to key management personnel

2016	2015
£	£

<u>61,050</u>	<u>63,899</u>
---------------	---------------

<u>6,074</u>	<u>7,727</u>
--------------	--------------

<u>61,050</u>	<u>63,899</u>
---------------	---------------

<u>67,124</u>	<u>71,626</u>
---------------	---------------

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

£60,001 to £70,000

Number	Number
1	1

#### 6. EMPLOYEE INFORMATION

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

Staff Costs were:

Wages and Salaries  
Social Security Costs  
Other Pension Costs  
Temporary, Agency and Seconded Staff

2016	2015
------	------

No.	No.
-----	-----

<u>6</u>	<u>6</u>
----------	----------

£	£
---	---

211,187	205,014
---------	---------

20,174	20,037
--------	--------

19,302	11,991
--------	--------

10,000	17,487
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<u>260,663</u>	<u>254,529</u>
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# CRAIGDALE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. LOSS ON SALE OF HOUSING STOCK		
	2016	2015
	£	£
Sales Proceeds	-	16,884
Cost of Sales	-	37,628
Loss On Sale Of Housing Stock	-	(20,744)

8. INTEREST PAYABLE & SIMILAR CHARGES		
	2016	2015
	£	£
On Bank Loans & Overdrafts	51,847	56,472
Less: Interest Capitalised	-	-
	51,847	56,472

9. SURPLUS FOR YEAR		
	2016	2015
	£	£
Surplus is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	497,322	475,766
Auditors' Remuneration - Audit Services	9,500	8,760
Auditors' Remuneration - Other Services	-	450
Loss on sale of fixed assets	-	(20,744)

### 10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

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

### 11. OTHER FINANCE INCOME / CHARGES

	2016	2015
	£	£
Unwinding of Discounted Liabilities	15,167	11,903

# CRAIGDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 12. NON-CURRENT ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Completed Shared Ownership Properties £	Shared Ownership In course of Construction £	Total £
<b>COST</b>					
As at 1st April 2015	23,827,085	-	270,792	-	<b>24,097,877</b>
Additions	253,586	-	-	-	<b>253,586</b>
Disposals	(130,328)	-	-	-	<b>(130,328)</b>
As at 31st March 2016	<u>23,950,343</u>	<u>-</u>	<u>270,792</u>	<u>-</u>	<u><b>24,221,135</b></u>
<b>DEPRECIATION</b>					
As at 1st April 2015	6,536,459	-	20,486	-	<b>6,556,945</b>
Charge for Year	477,444	-	5,416	-	<b>482,860</b>
Disposals	(76,911)	-	-	-	<b>(76,911)</b>
As at 31st March 2016	<u>6,936,992</u>	<u>-</u>	<u>25,902</u>	<u>-</u>	<u><b>6,962,894</b></u>
<b>NET BOOK VALUE</b>					
As at 31st March 2016	<u>17,013,351</u>	<u>-</u>	<u>244,890</u>	<u>-</u>	<u><b>17,258,241</b></u>
As at 31st March 2015	<u>17,290,626</u>	<u>-</u>	<u>250,306</u>	<u>-</u>	<u><b>17,540,932</b></u>

Additions to housing properties includes capitalised development administration costs of £nil (2015 - £nil) and capitalised major repair costs to existing properties of £253,586 (2015 £49,378)

All land and housing properties are freehold.

Total expenditure on existing properties in the year amounted to £431,591. The amount capitalised is £253,586, with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £253,586 and improvement of £nil.

# CRAIGDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 12. NON CURRENT ASSETS (Continued)

b) Other Tangible Assets	Computer Equipment £	Office Equipment £	Office Premises £	Furniture & Equipment £	Total £
<b>COST</b>					
As at 1st April 2015	111,929	20,005	311,297	36,525	479,756
Additions	-	4,920	-	2,712	7,632
Eliminated on Disposals	-	(4,000)	-	-	(4,000)
As at 31st March 2016	111,929	20,925	311,297	39,237	483,388
<b>AGGREGATE DEPRECIATION</b>					
As at 1st April 2015	104,752	18,060	86,239	35,954	245,005
Charge for year	6,239	1,105	6,226	892	14,462
Eliminated on disposal	(4,000)	-	-	-	(4,000)
As at 31st March 2016	106,991	19,165	92,465	36,846	255,467
<b>NET BOOK VALUE</b>					
As at 31st March 2016	4,938	1,760	218,832	2,391	227,921
As at 31st March 2015	7,177	1,945	225,058	571	234,751

## 13. RECEIVABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Arrears of Rent & Service Charges	19,157	17,400
Less: Provision for Doubtful Debts	(7,759)	(5,000)
	11,399	12,400
Other Receivables	19,957	24,356
	31,356	36,756

# CRAIGDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 14. PAYABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Housing Loans	194,295	190,969
Trade Payables	53,297	46,423
Rent in Advance	73,548	81,034
Other Payables	25,224	27,514
Liability for Past Service Contributions	41,837	40,449
Accruals and Deferred Income	14,977	19,978
	<u>403,178</u>	<u>406,367</u>

## 15. PAYABLES AMOUNTS FALLING DUE AFTER ONE YEAR

	2016 £	2015 £
Liability for Past Service Contributions	199,761	227,086
Housing Loans	2,437,218	2,627,970
	<u>2,636,979</u>	<u>2,855,056</u>
<b><i>Housing Loans</i></b>		
Amounts due within one year	194,295	190,969
Amounts due in one year or more but less than two years	197,778	194,392
Amounts due in two years or more but less than five years	614,875	604,344
Amounts due in more than five years	1,624,565	1,829,234
	<u>2,631,513</u>	<u>2,818,939</u>
Less: Amount shown in Current Liabilities	194,295	190,969
	<u>2,437,218</u>	<u>2,627,970</u>
<b><i>Liability for Past Service Contributions</i></b>		
Amounts due within one year	41,837	40,449
Amounts due in one year or more but less than two years	40,330	40,221
Amounts due in two years or more but less than five years	121,853	114,608
Amounts due in more than five years	37,578	72,256
	<u>241,598</u>	<u>267,534</u>
Less: Amount shown in Current Liabilities	41,837	40,449
	<u>199,761</u>	<u>227,085</u>

### Housing Loans

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

Lender	Security	Effective Interest Rate	Maturity	Variable / Fixed	
Clydesdale Bank	Standard Security over 28 properties	Base + 0.9	2029	Variable	-
Royal Bank of Scotland	Standard Security over 46 properties	Base + 1.0	2026	Variable	-
Bank of Scotland	Standard Security over 56 properties	Base + 0.65	2032	Variable	-
Nationwide Building Society	Standard Security over 48 properties	Libor + 0.425	2034	Variable	-
Nationwide Building Society	No security held	Libor + 0.4	2036	Variable	-

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

### Past Service Pension Contribution

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



# CRAIGDALE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 16. STATEMENT OF CASH FLOWS

<i>Reconciliation of operating surplus to balance as at 31st march 2016</i>	2016 £	2015 £
Operating Surplus	514,796	548,574
Depreciation	550,738	475,766
Amortisation of Capital Grants	(419,047)	(435,573)
Change in debtors	5,400	(9,176)
Change in creditors	(33,839)	29,908
Loss on sale of fixed assets	-	20,774
Unwinding of Discount on Pension Liability	(15,167)	(11,903)
Share Capital Written Off	(22)	(5)
Balance as at 31st March 2016	<u>602,858</u>	<u>618,365</u>

#### 17. DEFERRED INCOME

	2016 £	2015 £
<i>Social Housing Grants</i>		
Balance as at 1st April 2015	11,405,508	11,834,221
Additions in year	-	-
Released / Repaid as the result of property disposal	-	(71,346)
Amortisation in Year	(412,187)	(357,367)
Balance as at 31st March 2016	<u>10,993,321</u>	<u>11,405,508</u>
<i>Other Grants</i>		
Balance as at 1st April 2015	226,380	233,240
Additions in year	-	-
Released / Repaid as the result of property disposal	-	-
Amortisation in Year	(6,860)	(6,860)
Balance as at 31st March 2016	<u>219,520</u>	<u>226,380</u>
Total	<u>11,212,841</u>	<u>11,631,888</u>

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

	2016 £	2015 £
Amounts due within one year	419,047	364,227
Amounts due in one year or more	10,793,794	11,631,888
	<u>11,212,841</u>	<u>11,996,115</u>

# CRAIGDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 18. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2015	170
Issued in year	2
Cancelled in year	(22)
At 31st March 2016	<u>150</u>

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

## 19. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
General Needs - New Build	223	223
General Needs - Rehabilitation	143	143
Shared Ownership	6	6
	<u>372</u>	<u>372</u>

# CRAIGDALE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 20. RELATED PARTY TRANSACTIONS

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

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

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

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

Rent Received from Tenants on the Management Committee	£ 66,711
Factoring Charges received from owners on the Management Committee	442

At the year end total rent arrears owed by the tenant members of the Committee (and their close family members) were £1,186.

At the year end total factoring arrears owed by the factored owners of the Committee (and their close family members) were £0.

#### 21. DETAILS OF ASSOCIATION

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

The Association's principle place of business is 83-85 Dougrie Road, Castlemilk, Glasgow.

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

#### 22. GOVERNING BODY MEMBER EMOLUMENTS

Management Committee members received £1,614 in the year by way of reimbursement of expenses. (2015 - £2,716). No remuneration is paid to Management Committee members in respect of their duties in the Association.

#### 23. INVESTMENTS

	2016	2015
	£	£
Short Term Deposits	1,344,060	1,182,385

# CRAIGDALE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 24. RETIREMENT BENEFIT OBLIGATIONS

##### General

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

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

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers as the scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS102 represents the employer contribution payable.

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

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

Based on the provisional valuation the Scheme has provided an estimate of the contributions required to fund the past service deficit. Under the new proposals the Association will make payments of £41,888 from 1 April 2017. Payments are expected to increase by 3% per annum and continue until February 2022. Once finalised the proposals will replace the original plan which was expected to have lasted 10 years.

All employer's in the scheme have entered into an agreement to make additional contributions to fund the Scheme's past service deficit. This obligation has been recognised in terms of Para 28.11A of Financial Reporting Standard 102. At the balance sheet date the present value of this obligation was £241,598 (2015 - £267,535). This was calculated by reference to the terms of the agreement and discounting the liability using the yield rate of high quality corporate bond with a similar term. The discount rate used was 2.64% (2015 - 3.58%).

The Association made payments totalling £41,104 (2015: £39,907) to the pension scheme during the year.

# CRAIGDALE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 25 TRANSITION TO THE FINANCIAL REPORTING STANDARD

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

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

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

Reconciliation of Capital & Reserves						
At 31 March 2015			At 31 March 2014			
Note	As previously Stated	Effect of Transition	As Restated	As previously Stated	Effect of Transition	As Restated
	£	£	£	£	£	£
Non Current Assets (i)	5,243,916	12,531,767	17,775,683	5,411,228	12,822,576	18,233,804
Investment	-	-	-	-	-	-
Debtors due after more than a year	-	-	-	-	-	-
Negative Goodwill	-	-	-	-	-	-
Current Assets	1,783,571	-	1,783,571	1,696,268	-	1,696,268
Current Liabilities (ii)	(365,918)	(40,449)	(406,367)	(384,644)	(39,907)	(424,551)
Non Current Liabilities: (ii)	(2,627,970)	(227,086)	(2,855,056)	(2,991,587)	(255,690)	(3,247,277)
Deferred Income (i)	-	(11,631,888)	(11,631,888)	-	(12,067,461)	(12,067,461)
Capital & Reserves	(4,033,599)	(632,344)	(4,665,943)	(3,731,265)	459,518	4,190,783

  

Reconciliation of Retained Surpluses for the Year			
Year Ended 31 March 2015			
Note	As previously Stated	Effect of Transition	As Restated
	£	£	£
Revenue (i)	1,348,823	364,227	1,713,050
Operating Costs (i) & (ii)	(1,000,980)	(163,496)	(1,164,476)
Other Income (i)	(4,571)	(16,173)	(20,744)
Exceptional item	-	-	-
Interest Receivable	15,535	-	15,535
Interest Payable	(56,472)	-	(56,472)
Other Finance	-	-	-
Income / Costs (iii)	-	(11,903)	(11,903)
Surplus	302,335	172,655	474,990

#### Notes to the Reconciliations

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

(ii) - As the Association has entered into an agreement to make contributions to fund a deficit in the SHAPS pension scheme this has been recognised as a liability in accordance with the FRS. This liability was not previously recognised and payments made under this agreement were written off as operating costs. In addition to this the Association has an interest rate swap which was previously unrecognised, but now requires to be recognised at its fair value under FRS 102 Section 12.

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