

DALMUIR PARK HOUSING ASSOCIATION LIMITED

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

Registered Housing Association Number: HAL 98
Charity Registration Number: SCO33471
FCA Reference Number: 1917 R S

DALMUIR PARK HOUSING ASSOCIATION LIMITED

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DALMUIR PARK HOUSING ASSOCIATION LIMITED

The Management Committee, Executives and Advisers For the Year Ended 31 March 2016

MEMBERS OF THE BOARD/ MANAGEMENT COMMITTEE

Chairman	Christine Bradley
Vice Chair	Alison Quinn
Secretary	James Hutchison
Treasurer	John Gilleece
Committee Member	James Laverty
Committee Member	Anne Meikle
Committee Member	Marion Birnie
Committee Member	Seonaid McDonald
Co-opted Member	Councillor Gail Casey

EXECUTIVE OFFICERS

Director	Patrick Gilbride
Head of Finance & Corporate Services	Terrie Jack
Housing Manager	John Mallon
Property Services Manager	Charles MacLellan

REGISTERED OFFICE

Beardmore House
631 Dumbarton Road
Dalmeir
Clydebank
G81 4EU

AUDITORS

French Duncan LLP
Chartered Accountants & Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB

BANKERS

Bank of Scotland

SOLICITORS

TLT Scotland
140 West George Street
Glasgow
G2 3HG

Report from The Management Committee For the Year Ended 31 March 2016

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

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No. 1917R (S). The Association is governed under its Rule Book. The Association is a Registered Scottish Charity with the charity number SCO33471

Review of business and future developments

Financial Review

The Management Committee is satisfied with the Association's financial performance during the year and is pleased to report a surplus for the year of £644,112 (2015 – Surplus £584,609).

Turnover for the year increased by 5.88% to £3,810,951 (2015 - £3,599,343) whilst operating costs increased by 3.9% to £3,141,335 (2015 - £3,023,515).

The Association's investments consist of a programmed outlay of £380,000 on shares held within a Corporate Bond Fund managed by HBOS UK Investments Funds. The Corporate Bond Fund is a cautious-medium risk fund which aims to provide an above average income from a diversified portfolio of interest bearing securities. This portfolio has been exposed to the turbulence in the global financial markets over the past few years and the value of the shares held by the Association at the end of March was valued at £336,646 (2015 - £356,110), providing an unrealised loss for the year of £19,464 (2015 - gain £22,118).

The Association has also been able to continue with its cyclical and major repairs programme and spent £821,168 in projects, which included the provision of replacement windows, new kitchens, bathrooms and central heating to many of its properties.

The Association's cash balance at March 2016 increased to £2,190,635 (2015 - £2,112,187) an increase of £78,447 and revenue reserves increased to £6,639,110 (2015 - £5,994,998)

Wider Role

The Association prioritises many social interaction activities which, when added to our own budgeted expenditure on community development, donations and activities, ensures that we create a varied range of initiatives involving the widest cross section of the community possible.

The Association has also demonstrated its commitment to wider action by creating a new community trust, the Beardmore Trust, which will create wider community involvement and increased financial support for community projects. Association sponsorship enabled the Trust to deliver the usual wide range of community projects to our tenants.

The two most significant wider role projects of Lynx Care and Dalmuir Out of School Care together produced a surplus of £12,375 (2015- £24,536).

The Future

The Association reviewed its development strategy as part of the Business Planning process, with the conclusion being made that there will be no further housing development in the foreseeable future for reasons relating to risk management, funding availability, inadequacy of local sites and potential housing quality and cost. The Association will instead re-focus its attention on the quality of existing housing stock and services.

The Association also intends to continue with smaller scale projects such as special needs adaptations. We hope to work in partnership with The Beardmore Trust to assist with our plans for community regeneration and other wider role projects. The Association is also currently working in partnership with WDCVS to further develop and expand its role within the care sector, in particular with elderly care in the community. The aim being tenancy sustainability with the provision of additional support to promote independent living for the more vulnerable, elderly residents.

The Association intends to continue with its major repairs programme with plans to spend almost £791,000 in the forthcoming year on various planned maintenance projects.

Supporting People Grant

The Supporting People Grant came into effect on 1 April 2003 and allows local authorities to fund the costs of support services provided to people in the community. The Association now provides three services which qualify for Supporting People Grant; a sheltered housing service, a community alarm service and the Lynx Care Project.

The Association entered into an interim agreement with West Dunbartonshire Council regarding the provision of these support services and the Council paid £136,832 (2015 - £134,692) to the Association as Supporting People Grant.

Principal Activities

The principal activity of the Association is to maximise its impact as a social landlord in the local community through the provision of wide ranging quality services.

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 year. 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, the Housing SORP 2014, and the Determination of Accounting Requirements - 2014. They are also responsible for safeguarding the assets of the Association and hence for taking

DALMUIR PARK HOUSING ASSOCIATION LIMITED

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.

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; and
- 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; and
- Formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

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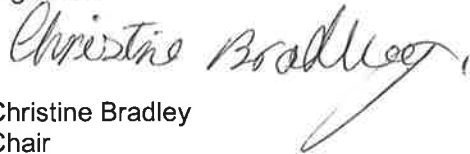
The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2016. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require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

Auditors

A resolution to re-appoint the auditors, French Duncan LLP, Chartered Accountants, will be proposed at the Annual General Meeting

By order of Management Committee

Signature



Christine Bradley
Chair

Date: 7/09/16

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

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 6 & 7 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 6 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.



French Duncan LLP
Chartered Accountants
Statutory Auditors

GLASGOW
Date: 23/09/2016

REPORT BY THE AUDITORS TO THE MANAGEMENT COMMITTEE OF DALMUIR PARK HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Dalmuir Park Housing Association Limited for the year ended 31 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 United Kingdom Accounting Standards including FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 The 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 31 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 2010, the Housing SORP 2014 and the Determination of Accounting Requirements 2015.

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 related, 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.



French Duncan LLP
Chartered Accountants
Statutory Auditors
133 Finnieston Street
GLASGOW
G3 8HB
Date: 23/09/2016.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Notes	£	2016 £	£	Restated 2015 £
REVENUE	2		3,810,951		3,599,343
Operating Costs	2		(3,141,335)		(3,023,515)
OPERATING SURPLUS	5		669,616		575,828
Realised (Loss) / Gain on Investments		(19,464)		22,118	
Interest Receivable and Other Income		22,081		17,979	
Interest Payable and Similar Charges	8	(28,121)		(31,316)	
			(25,504)		8,781
SURPLUS FOR YEAR			644,112		584,609
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME			644,112		584,609

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The notes on pages 15 to 31 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Notes	£	2016 £	£	Restated 2015 £
NON-CURRENT ASSETS					
Housing Properties – Depreciated Cost	10 (a)		21,598,295		21,812,305
Other Tangible Fixed Assets	10 (b)		394,759		434,106
Investments	10 (c)		336,646		356,110
CURRENT ASSETS					
Trade and Other Debtors	11	458,137		400,436	
Cash and Cash Equivalents		2,190,635		2,112,187	
			22,329,700		22,602,521
		2,648,772		2,512,623	
CREDITORS: Amounts falling due within one year					
	12	(376,242)		(467,326)	
			2,272,530		2,045,297
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			24,602,230		24,647,818
CREDITORS: Amounts falling due after more than one year					
Retirement Benefit Scheme Deficit	13 23		(602,947) (291,710)		(666,537) (312,000)
DEFERRED INCOME					
Social Housing Grants	18(a)		(16,870,486)		(17,469,119)
Other Grants	18(b)		(197,766)		(204,963)
NET ASSETS					
			6,639,321		5,995,199
EQUITY					
Share Capital	19		211		201
Revenue Reserves	17		6,639,110		5,994,998
			6,639,321		5,995,199

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 7th September 2016.

Christine Bradley
Chair



Alison Quinn
Vice-Chair



James Hutchison
Secretary



The notes on pages 15 to 31 form part of these financial statements.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016	Restated 2015
		£	£
Net Cash Inflow from Operating Activities	14	803,525	1,071,305
Investing Activities			
Purchase of Other Fixed Assets	(27,183)	(41,970)	
Purchase of Component Installations	(619,875)	(408,842)	
Acquisition of Housing Properties	-	(8,183)	
Social Housing Grant Received	-	-	
Capital Grant Abatement	-	3,912	
Social Housing Grant Repaid	-	(49,148)	
Proceeds on Disposal of Properties	-	46,000	
Net Cash Outflow from Investing Activities		(647,058)	(458,231)
Financing Activities			
Interest Received on Cash and Cash Equivalents	22,081	17,979	
Interest Paid on Loans	(28,121)	(31,316)	
Loan Principal Repayments	(71,989)	(73,822)	
Share Capital Issued	10	1	
Net Cash Inflow/ (Outflow) from Financing		(78,019)	(87,158)
Increase/ (Decrease) in Cash	15	78,448	525,916
Opening Cash & Cash Equivalents		2,112,187	1,586,271
Closing Cash & Cash Equivalents		2,190,635	2,112,187

The notes on pages 15 to 31 form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY 31 MARCH 2016

	Share Capital £	Revenue Reserve £	Total £
Balance as at 31 March 2015	201	5,994,998	5,995,199
Issue of Shares	21	-	21
Cancelled in the year	(11)	-	(11)
Surplus for the year	-	644,112	644,112
Balance as at 31 March 2016	<u>211</u>	<u>6,639,110</u>	<u>6,639,321</u>

	Share Capital £	Revenue Reserve £	Total £
Balance as at 1 April 2014	200	5,410,389	5,410,589
Issue of Shares	9	-	9
Cancelled in the year	(8)	-	(8)
Surplus for the year	-	584,609	548,609
Balance as at 31 March 2015	<u>201</u>	<u>5,994,998</u>	<u>5,995,199</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for Social Housing Providers 2014. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

Information on the impact of first-time adoption of FRS 102 is given in note 24.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see below).

The following principal accounting policies have been applied:

Revenue

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised as 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 the high quality corporate bond.

Valuation Of Housing Properties

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

<i>Component</i>	<i>Useful Economic Life</i>
Kitchens	10 years
Bathrooms	15 years
Central Heating	15 years
Windows	25 years
Structure	50 & 100 years

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
NOTES TO THE FINANCIAL STATEMENTS

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	6 ⅔% Straight Line
Computers and other Office Equipment	20% Straight Line
Furniture and Fittings	15% Reducing Balance
Furniture for Furnished Accommodations	33 ⅓% Straight Line
Laundry Equipment in Sheltered Accommodations	20% Straight Line

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

Social Housing Grant And Other Grants In Advance/Arrears

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

Social Housing Grant attributed to individual components is written off to the Income and Expenditure Account when these components are replaced.

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

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

Sales Of Housing Properties

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

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

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

Estimation Uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Committee to exercise judgement in applying Dalmuir Park 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, is disclosed below:

Rent Arrears - Bad Debt Provision

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

Life Cycle of Components

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

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

Leases/Leased Assets

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

Works to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

Development Interest

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

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

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 660 in which it manages its housing property for asset management purposes.

Financial Instruments – Basic

The Association recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

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

2. PARTICULARS OF REVENUE, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	Notes	2016			2015		
		Revenue £	Operating Costs £	Operating Surplus / (Deficit) £	Revenue £	Operating Costs £	Operating Surplus / (Deficit) £
Social Lettings		3,216,286	2,520,755	695,531	3,031,662	2,463,688	567,974
Other Activities		594,651	620,581	(25,930)	567,681	559,827	7,854
Total		3,810,936	3,141,335	669,601	3,599,343	3,023,515	575,828

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
NOTES TO THE FINANCIAL STATEMENTS

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing £	Supported Housing £	Shared ownership £	2016 Total £	Restated 2015 Total £
Revenue from Lettings					
Rent Receivable Net of Identifiable Service Charges	1,962,750	226,913	57,390	2,247,052	2,194,519
Service Charges Receivable	255,284	19,341	-	274,625	253,238
Gross Rents Receivable	2,218,034	246,254	57,390	2,521,677	2,447,757
Less: Rent losses from voids	(18,877)	(6,413)	-	(25,289)	(33,915)
Net Rents Receivable	2,199,157	239,841	57,390	2,496,388	2,413,842
Amortisation of Social Housing Grants and Other Grants	592,801	-	11,330	604,131	604,172
Revenue Grants from Local Authorities and Other Agencies	106,238	9,529	-	115,767	13,648
Total Income From Social Letting	2,898,196	249,370	68,720	3,216,286	3,031,662
Expenditure on Social Letting Activities					
Service Costs	195,613	4,595	-	200,208	225,912
Management and maintenance administration costs	535,845	63,575	10,244	609,664	623,977
Reactive Maintenance	612,164	25,017	-	637,181	623,196
Bad Debts – Rents and Service Charges	36,840	-	-	36,840	24,287
Planned and Cyclical Maintenance, including Major Repairs	196,566	6,415	-	202,981	136,989
Depreciation of Social Housing	721,603	85,614	26,664	833,881	829,327
Operating Costs of Social Letting	2,298,631	185,216	36,908	2,520,755	2,463,688
Operating Surplus on Social Letting Activities	599,565	64,154	31,812	695,531	567,974
2015	486,387	51,863	29,724	567,974	

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
NOTES TO THE FINANCIAL STATEMENTS

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

	Grants From Scottish Ministers	Other Revenue Grants	Supporting People Income	Other Income	Total Turnover	Operating Costs Bad Debts	Operating Costs Other	Operating Surplus / (Deficit) 2016	Operating Surplus / (Deficit) 2015
	£	£	£	£	£	£	£	£	£
Wider Role Activities	-	-	-	1,910	1,910	-	19,090	(17,180)	(19,933)
Care Activities	-	-	136,833	311,510	448,343	-	446,568	1,775	36,046
Factoring	-	-	-	142,292	142,292	-	154,923	(12,631)	(9,611)
Development	2,106	-	-	-	2,106	-	-	2,106	1,352
Other Income/Expenditure	-	-	-	-	-	-	-	-	-
Total From Other Activities	2,106	-	136,833	455,712	594,651	-	620,581	(25,930)	7,854
2015	1,352	-	134,692	431,637	567,681	-	559,827	7,854	-

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5. OPERATING SURPLUS

	2016	2015
	£	£
Surplus is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	900,432	900,937
Housing Association grant release	(598,634)	(598,675)
Commercial grant release	(1,700)	(1,700)
Council grant release	(5,497)	(5,497)
Auditors' Remuneration - Audit Services	14,000	10,696

6. COMMITTEE MEMBERS AND OFFICERS EMOLUMENTS

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

No emoluments have been paid to any member of the Management Committee

Aggregate emoluments payable to Officers with Emoluments greater than £60,000 (excluding pension contributions)	<u>174,782</u>	<u>176,599</u>
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Emoluments payable to the Director/Chief Executive (excluding pension contributions)	<u>82,241</u>	<u>87,243</u>
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Pension contributions paid on behalf of the Director	<u>19,360</u>	<u>19,074</u>
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Total number of Officers, including the highest paid Officer, who received emoluments (excluding pension contributions) over £60,000 was in the following ranges:-

£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£80,001 - £90,000	<u>1</u>	<u>1</u>

There were payments to board members during the year for reimbursement of expenses of £1,065 (2015-£851)

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7. EMPLOYEE INFORMATION

	2016	2015
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	<u>28</u>	<u>29</u>
The average total number of Employees employed during the year was	<u>36</u>	<u>36</u>
Staff Costs were:		
Wages and Salaries	841,853	829,064
Social Security Costs	68,496	67,171
Other Pension Costs	81,112	71,501
	<u>991,461</u>	<u>967,736</u>

8. INTEREST PAYABLE

	2016	2015
	£	£
On Bank Loans & Overdrafts	<u>28,121</u>	<u>31,316</u>

9. 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.

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NOTES TO THE FINANCIAL STATEMENTS

10. FIXED ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Housing Properties Under Construction £	Completed Shared Ownership Properties £	Total £
COST				
As at 31 March 2015 (restated)	28,645,787	431,495	1,206,893	30,284,175
Additions	619,871	-	-	619,871
Disposals	-	-	-	-
Schemes Completed	-	-	-	-
As at 2016	29,265,658	431,495	1,206,893	30,904,046
DEPRECIATION				
As at 31 March 2015 (restated)	8,347,141	-	124,729	8,471,870
Charge for Year	825,031	-	8,850	833,881
Disposals	-	-	-	-
As at 2016	9,172,172	-	133,579	9,305,751
NET BOOK VALUE				
As at 2016	20,093,486	431,495	1,073,314	21,598,295
As at 31 March 2015 (restated)	20,298,646	431,495	1,082,164	21,812,305

b) Other Tangible Assets	Office Furniture & Equipment £	Commercial Property £	Total £
COST			
As at 31 March 2015	832,014	396,913	1,228,927
Additions	27,185	-	27,185
Eliminated on Disposals	-	-	-
As at 2016	859,199	396,913	1,256,112
AGGREGATE DEPRECIATION			
As at 31 March 2015	587,500	207,322	794,802
Charge for year	41,538	25,013	66,551
Eliminated on disposal	-	-	-
As at 2016	629,038	232,335	861,353
NET BOOK VALUE			
As at 31 March 2016	230,161	164,578	394,759
As at 31 March 2015	244,514	189,592	434,106

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c) Investments

	2016	2015
	£	£
Cost		
As at 1 April 2015 and 31 March 2016	<u>380,000</u>	<u>380,000</u>
Provision for Loss on Investments		
As at 1 April 2015	(23,890)	(46,008)
Movement	<u>(19,464)</u>	<u>22,118</u>
As at 31 March 2016	(43,354)	(23,890)
Net Book Value		
As at 31 March 2016	<u>336,646</u>	<u>356,110</u>

11. DEBTORS

	2016	2015
	£	£
Arrears of Rent & Service Charges	294,154	303,824
Less: Provision for Doubtful Debts	<u>(40,000)</u>	<u>(50,000)</u>
	254,154	253,824
Other Receivables	203,983	146,612
	<u>458,137</u>	<u>400,436</u>

12. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	As restated 2015
	£	£
Housing Loans	68,100	76,500
Trade Payables	162,202	137,149
Rent in Advance	74,859	72,833
Other Taxation and Social Security	-	-
Other Creditors	15,940	6,969
Liability for Past Service Contribution Arrangements	20,645	21,000
Accruals	34,496	152,875
	<u>376,242</u>	<u>467,326</u>

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
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13. CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	2016	As restated
	£	2015
		£
Liability for Past Service Contribution Arrangements	<u>291,710</u>	<u>312,000</u>
Housing Loans – between one and two years	71,100	79,500
– between two and five years	234,300	259,500
– due after five years	<u>297,547</u>	<u>327,537</u>
	<u>602,947</u>	<u>666,537</u>
	<u>894,657</u>	<u>978,537</u>

Loans are secured by specific charges on the Association's properties.

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

14. RECONCILIATION OF SURPLUS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2016	Restated
	£	2015
		£
Operating Surplus	669,616	575,828
Depreciation	900,432	905,072
(Increase)/Decrease in debtors	(57,717)	(9,340)
Increase/(Decrease) in creditors	(102,975)	205,617
Grant Release	(605,831)	(605,872)
	<u>803,525</u>	<u>1,071,305</u>

15. RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET (DEBT)

	2016	Restated
	£	2015
		£
Increase/(Decrease) in cash for year	78,447	525,916
Past service pension repayments	20,645	21,000
Loan repayments	71,990	73,822
	<u>599,738</u>	<u>620,738</u>
Net Debt at 1 April 2015	<u>1,036,161</u>	<u>415,423</u>
Net Debt at 31 March 2016	<u>1,207,243</u>	<u>1,036,161</u>

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
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16. ANALYSIS OF CHANGES IN NET DEBT

	As at 1 April 2015 Restated £	Cash Flows £	Other Changes £	As at 31 March 2016 £
Cash at bank and in hand	2,112,188	78,447	-	2,190,635
Debt due within one year	(97,500)	101,390	(92,635)	(88,745)
Debt due after one year	(978,537)	(8,745)	92,635	(894,647)
	<u>1,036,151</u>	<u>171,092</u>	<u>-</u>	<u>1,207,243</u>

17. REVENUE RESERVE

	2016 £
At 1 April 2015	5,994,998
Surplus for the year	644,112
At 31 March 2016	<u>6,639,110</u>

Under FRS 102 the concept of Designated Reserves are now no longer relevant so a consolidated figure of the previous Revenue and Designated Reserves figure is now shown.

18. DEFERRED INCOME

	2016 £	As Restated 2015 £
<i>a) Social Housing Grants</i>		
As at 1 April 2015	17,469,119	(6,085,529)
Additions in year	-	-
Released / Repaid as the result of property disposal	-	(49,148)
Amortisation in Year	(598,634)	(598,675)
As at 31 March 2016	<u>16,870,486</u>	<u>17,469,119</u>
<i>b) Other Grants</i>		
Balance as at 1 April 2015	204,963	(68,574)
Additions in year	-	-
Released / Repaid as the result of property disposal	-	-
Amortisation in Year	(7,197)	(7,197)
As at 31 March 2016	<u>197,766</u>	<u>204,963</u>

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22. DETAILS OF ASSOCIATION

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

The Association's principal place of business is Beardmore House, 631 Dumbarton Road, Clydebank, G81 4EU.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing in Dalmuir, Clydebank.

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

23. RETIREMENT BENEFIT OBLIGATIONS

General

The Association has entered into an agreement with the Pension Trust to make contributions to fund a deficit in the SHA pension scheme that has been recognised as a liability in accordance with the FRS 102. The liability was not previously recognised and payments made under this agreement were written off as operating costs.

£333,000 was recognised as the Pension shortfall as at 31 March 15 as per the SHA pension scheme valuation. The liability 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.

This was recognised through the Accounts as a Prior Year Adjustment in that year.

Dalmuir Park 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 year under FRS102 represents the employer contribution payable.

A full actuarial valuation for the scheme was carried out at 30 September 2012. This actuarial valuation showed assets of £394m, liabilities of £698m and a deficit of £304m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme as follows:

Deficit contributions

From 1 April 2014 to 30 September 2027:	£26,304 per annum (payable monthly and increasing by 3% each on 1st April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

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

All employers in the scheme have entered into an agreement to make additional contributions to fund the Scheme's past service deficit. This obligation has been recognised in terms of Para 28.11A of Financial Reporting Standard 102. At the balance sheet date the present value of this obligation was £291,710 (2015 - £312,000) 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 2.29%.

The Association made payments totalling £26,645 (2015: £25,895) to the pension scheme during the year.

24. 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 year beginning on 1 April 2014. As a result of this the comparative figures for the year 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 year ending 31 March 2016.

The implementation of FRS 102, and in particular adhering to SORP 14 and the accrual model, as the Properties are valued at cost, means that Social Housing Grant no longer be netted off against the related Properties but instead be shown as Deferred Income, with the grant released annually through the Revenue figure, within the Statement of Comprehensive Income, based on the estimated lifespan of the property.

Grant relating to Land is now also released over the property lifespan.

The implications of this are that the previous Depreciation charge is now substantially increased but is more than offset by the release of Social Housing Grant, as this now includes the Land element, previously left out of all calculations.

Within the Statement of Financial Position the Fixed Assets are now considerably higher as the Social Housing Grant, previously netted off against Fixed Assets, is now shown separately in Deferred Income as a potential source of grant income or as a liability, should the property be sold and the grant need to be repaid.

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		Reconciliation of Capital & Reserves					
		At 1 April 2014			At 31 March 2015		
Note	As previously stated 1 April 2014	Effect of Transition 1 April 2014	FRS 102 (As Restated) 2014		As previously stated 31 March 2015	Effect of Transition 31 March 2015	FRS 102 (As Restated) 31 March 2015
			£	£			
1	Total fixed assets	4,432,619	18,781,713	23,214,332	4,578,336	18,133,391	22,711,727
	Current assets	1,977,336	-	1,977,366	2,512,623	-	2,512,623
	Creditors: amounts falling due within one year	(236,209)	-	(236,209)	(446,326)	-	(446,326)
	Net current assets	1,741,157	-	1,741,157	2,066,297	-	2,066,297
	Total assets less current liabilities	6,173,776	18,781,713	24,955,489	6,644,633	18,133,391	24,778,024
	Creditors: amounts falling due after more than one year	(744,858)	-	(744,858)	(666,537)	-	(666,537)
	Retirement benefit scheme deficit	-	-	-	-	(333,000)	(333,000)
2	Deferred income	-	(18,438,308)	(18,438,308)	-	(17,783,288)	(17,783,288)
	Net assets	5,428,918	343,405	5,772,323	5,978,096	17,103	5,995,199
	Capital & reserves	5,428,918	343,405	5,772,323	5,978,096	17,103	5,995,199

Notes to the Reconciliations:

1. Tangible fixed assets

Under previous UK GAAP, the Association accounted for Housing Properties and related Social Housing Grants using the historic cost model which allowed the grant to be offset against the cost for depreciation purposes. The implementation of FRS 102, and in particular adhering to SORP 14 and the accrual model, as the Properties are valued at cost, means that Social Housing Grant no longer be netted off against the related Properties but instead be shown as Deferred Income, with the grant released annually through the Revenue figure, within the Statement of Comprehensive Income, based on the estimated lifespan of the property.

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This resulted in moving £24,457,705 on transition from Housing Property Fixed Assets to Deferred Income, Social Housing Grant, for £24,202,471 and a further £255,234 to Other Grants.

Another £25,500 of Development Grant was moved out of Other Fixed Assets to Deferred Income.

With the grant reallocated the higher value of the Housing Properties resulted in a £5,701,492 increase on transition in the Depreciation charge from 2004 / 05.

In total, £18,781,713 was transferred out of Fixed Assets.

2. Deferred income

Within Deferred Income the aforementioned Grants have themselves been released over the lifespan of the corresponding Housing Properties and Developments.

This resulted in £6,031,297 of Housing and Other grant to be released on transition to Reserves. A further £13,600 of Development grant was also released.

In total £18,438,308 was transferred into Deferred Income.

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Reconciliation of Retained Surpluses for the Year

	Notes	As previously Stated 31 March 2015 £	Effect of Transition 31 March 2015 £	FRS 102 (As Restated) 31 March 2015 £
Turnover	(i)	2,993,471	605,872	3,599,343
Operating Costs	(ii)/ (iii)	(2,453,074)	(570,441)	(3,023,515)
Operating Profit		540,397	35,431	575,828
Interest receivable and similar income		17,979	-	17,979
Interest payable and similar income		(31,316)	-	(31,316)
Unrealised gain / (loss)		22,118	-	22,118
Surplus		549,178	35,431	584,609

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 with to make contributions to fund a deficit in the SHAPS pension scheme that has been recognised as a liability in accordance with the FRS. The liability was not previously recognised and payments made under this agreement were written off as operating costs.
- (iii) The liability recognised as a result of (ii) above has been discounted to its present value. The unwinding of the discount is recognised as a finance cost in accordance with FRS 102 para 28. 13A.