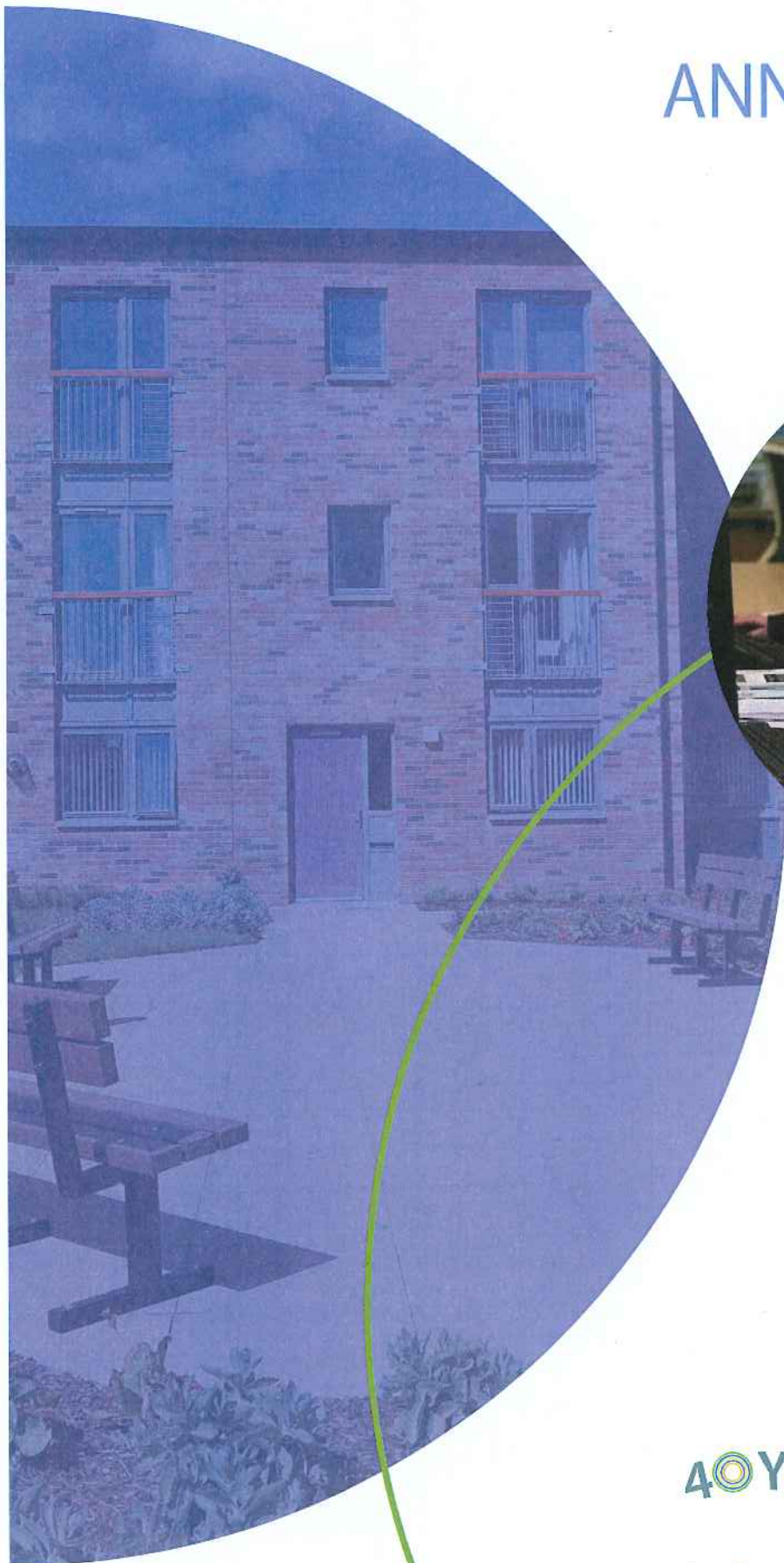


DUNEDIN CANMORE
ANNUAL REPORT
2015



40 YEARS 1975-2015

Excellence • Pride • Integrity • Commitment



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STATEMENT BY THE CHAIR



> Thomas Mitchell, Chair
Dunedin Canmore Housing

This year has been dominated by change. We have now agreed a new strategic plan, setting out our values and strategic priorities. High on the agenda has been the consideration about how we should be structured so the strategic plan will really help focus our thinking.

The Board also instructed a governance review of all activities. This has been an extremely interesting exercise and will be most helpful as we continue to manage and grow the organisation.

...OUR
performance statistics
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to move forward.



During the year the board also agreed to work towards a constitutional partnership with the Wheatley Group. This, we believe, will bring great opportunities to Dunedin Canmore as we join an evolving and progressive housing group that shares a great number of our values. In a time where there continues to be a real and growing need for affordable housing and support, this major change, supported by a tenants' ballot, will allow us to increase the services and choices of accommodation that we already provide.

So it has been a challenging start to my time as chair of Dunedin Canmore. However, one thing I would like to do is pass on my thanks to the past chair Yvonne Summers. Yvonne worked tirelessly whilst chair for Dunedin Canmore and made a huge contribution. I must also thank the board members who retired during the year for their many years of service. These board members have put Dunedin Canmore into a strong position and have built a platform to allow us to move forward. I am, however, pleased to say that we now have a number of new faces that will, I am sure, continue the good work.

Finally, I am pleased to say that our performance statistics have been very good and financially we have had a good year which leaves us in a very positive position to move forward. So thank you to all staff, who in conjunction with the Board and a range of partners, have helped to create this success.

Thomas Mitchell Chair
06 August 2015

Thomas Mitchell



STATEMENT BY THE CHIEF EXECUTIVE



> Ewan Fraser, Chief Executive

The demand for property and services from Dunedin Canmore continues. During the last twelve months we have completed developments in Gorebridge and Liberton. Both developments have been for mid-market rent and both have proved to be very popular. Our other services such as our customer service centre, home energy advice, welfare and money advice and debt recovery have also been very active in supporting customers through some very hard times.





We are generating a culture of continuous improvement when we question all of the activities we do to enable us to continue to develop our services at affordable rates.

Dunedin Canmore is making customer service its top priority. As the needs and aspirations of our customers change we must adapt and respond to their needs. We are generating a culture of continuous improvement when we question all of the activities we do to enable us to continue to develop our services at affordable rates.

During the last year we have made a number of changes to the way we work. The diversity of work that Dunedin Canmore carries out, and the opportunities that lie ahead, have been the catalyst. There is a constant pressure to get better, but we are trying to do this in the most economical way possible.

There are a number of challenges ahead. There is still a very high demand for affordable housing. Tackling areas such as fuel poverty and dealing with welfare reform by supporting our customers is another area where we have to concentrate hard.

With the diversity of the work we do, from social rented housing to market rented accommodation, we need to use a range of skills. Really high on our agenda will be asset management. We work in communities within Edinburgh in particular where the structure and fabric of stone tenements is in a state of disrepair. We will work with our tenants, owner occupiers and private landlords to bring these back up to a really good standard. It will not be an easy journey but a necessary one.

We have a positive and knowledgeable board and a staff team in place to deliver our strategy. We are also joining the Wheatley Group and this will bring additional expertise and resources. Dunedin Canmore, as part of Wheatley, will continue to be a progressive and successful housing services provider to a wide range of clients and customers.

Ewan Fraser Chief Executive
06 August 2015



THE BOARDS AND THEIR COMMITTEES

The group has a governance framework which encourages all members to bring their independent judgement to matters of strategy, performance, resources and standards of conduct.

How appointments are made

Board members of Dunedin Canmore Housing are elected at the annual general meeting from the general membership of the Association and retire by rotation every three years. Between annual general meetings, board members may be co-opted to fill a casual vacancy but must then be elected to the Board at the next annual general meeting. Any general member of the Association is entitled to stand for membership of the Board.

Dunedin Canmore Housing may appoint members to the Dunedin Canmore Enterprise Board. Non Dunedin Canmore Housing members sit on the subsidiary board to protect its independence.

The Dunedin Canmore Housing Board comprises a maximum of 15 members.

There is a formal schedule of matters reserved specifically to the boards and all major strategy, investment and policy decisions are taken by them. The Group has a governance framework, which encourages all members to bring their independent judgement to matters of strategy, performance, resources, and standards of conduct.

Experience and training

The board members bring a wide range of talents and experience to the Group. Board members have the appropriate balance of skills and experience to run the business and are provided with additional training as and when this is required.

Formal sub committees and working groups

The Group has one formal sub committee, the Group Audit Committee. Other working groups covering all aspects of the Group's work are convened as and when required. The appropriate governing board takes the final decision.

Governance review

During 2014/15 the Board carried out a governance review by an external facilitator. The external facilitator did not have any other connection with the Group.

The process consisted of interviews with staff and Board members (both current and former). The completed interviews were available only to the facilitator, who prepared written reports for the Chairs and the Board.

A meeting of both Boards discussed the results of the evaluation of the governance structures.

The evaluation provided feedback on a wide range of matters including on some processes. A number of issues were highlighted for on-going focus during 2015/16.



THE BOARDS AND THEIR COMMITTEES

BOARD ATTENDANCE

The main board met eleven times during the year. Member attendance at board meetings was as follows:

Board Members	Note	Dunedin Canmore Housing	Dunedin Canmore Enterprise	Group Audit Committee
Jill Anderson (appointed 28 August 2014)		7/8		3/3
Jane Ballantine (resigned 7 August 2014)			2/2	
Karen Campbell (resigned "Housing" 6 February 2015)		6/9	5/7	
Alexander Elder			7/7	
John Fletcher	5	10/11	7/7	3/3
Surbhi Gosain (appointed 26 March 2015)		1/1		
Gillian Gray (appointed 7 August 2014)			5/5	
Jane Green (appointed 28 August 2014)		6/8		
Gillian Henry (resigned 15 December 2014)		8/8		0/1
Terence Kirby		11/11		
Susan Laing (appointed "Housing" 29 January 2015)	3	2/3	6/7	
Andrew Leslie (resigned 23 September 2014)		5/5	2/2	1/1
David MacLaren (resigned 23 September 2014)		4/5		0/1
Thomas Mitchell	1	10/11		1/1
Mary Mulligan	2	11/11		
Peter Nussey			6/7	
Russell Ogg (appointed 7 August 2014)			5/5	
Douglas Paterson (appointed 7 August 2014)			5/5	
John Phillips (resigned 7 August 2014)			1/2	
Fraser Pottie			6/7	3/4
Sheila Scobie (appointed 26 March 2015)		0/0		
Yvonne Summers	6	6/6		
Dennis Trueland (appointed 28 August 2014)				2/3
James Walker	4		5/7	

- (1) Chair Dunedin Canmore Housing
- (2) Vice Chair Dunedin Canmore Housing
- (3) Chair Dunedin Canmore Enterprise
- (4) Vice Chair Dunedin Canmore Enterprise
- (5) Chair Group Audit Committee
- (6) Leave of absence

The Chairs of Dunedin Canmore Housing and Dunedin Canmore Enterprise attend the Group Audit Committee meetings. They do not form part of the Committee or the quorum of the meeting.





Group Audit Committee

The Group Audit Committee is responsible for helping the boards to discharge their responsibilities for accounting policies, financial reporting, internal control and risk management. The Group Audit Committee also reviews the independence of the external auditor and the relationship between audit and non-audit work performed by them.

The Group Audit Committee may include independent members from the board of Dunedin Canmore Enterprise. It met four times during the year ended 31 March 2015.



The Group Audit Committee reviews the annual financial statements paying particular attention to:

- critical accounting policies and practices and any changes to them
- decisions requiring a major element of judgement
- the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed
- the clarity of disclosures
- significant adjustments resulting from the audit
- the going concern assumption
- compliance with accounting standards
- compliance with legal requirements
- reviewing the Group's statements on internal control systems prior to endorsement by the boards
- reviewing the policies and process for identifying and assessing business risks and the management of those risks by the Group
- reviewing internal financial control and risk management systems

THE BOARDS AND THEIR COMMITTEES



Internal control

A programme of work is agreed by the Group Audit Committee at the start of each year. Reports are presented to the Group Audit Committee. Follow up reports are presented to the Group Audit Committee if required and major findings presented to the boards when appropriate.

Financial audits were undertaken by Scott Moncrieff, a qualified audit firm. Other audits are carried out by self-assessment methods such as peer review or by internal management.

Financial control throughout the Group is maintained through policies and procedures, as well as Standing Orders and Financial Regulations. There is regular reporting of information to the boards. A system of internal reporting of key performance indicators is used to monitor performance.

The Group does not tolerate fraud. Controls are designed to reduce the likelihood and impact of fraud. Two instances of an attempted fraud were reported during the year.

An annual report of internal control assurance is produced for the Group Audit Committee to review the effectiveness of the risk management and control process.

There is a continual process to identify and manage significant risks faced by the Group which has been in place throughout the year.

Financial control throughout the Group is maintained through policies and procedures, as well as Standing Orders and Financial Regulations.





The Board of Management presents its report and the audited financial statements of the Group for the year ended 31 March 2015.

Principal activities

The principal activity of the Group is the provision, in Scotland, of high quality rented accommodation at affordable rents.

Business overview

The Group is based in Edinburgh and now owns and manages over 6,000 homes. It also has a development programme with around 140 homes in Edinburgh, Fife and the Lothians currently on site.

Dunedin Canmore Housing operates in a fluid and increasingly challenging social housing environment. Its work is supplemented by its wholly owned subsidiary company Dunedin Canmore Enterprise Limited, which provides mid-market and market rent housing. Dunedin Canmore Enterprise deals with the commercial aspects of the Group's business.

Vision

The Vision of Dunedin Canmore is to be Leaders in Building Communities where People Choose to Live.

Mission

The Dunedin Canmore Group will build and improve upon the excellent track record of providing a range of housing and support services to a broader mix of people in the community. This involved the development of 1,000 houses during the period of our five-year plan to 2015.

During the year the boards reviewed their existing plan and set a new strategic plan for 2015 to 2018. In order to achieve our vision, our strategic plan introduces five key strategic goals for 2015-18. These are:

- protect and develop our assets,
- grow our business – building homes and expanding services,
- Enhance the communities we work in,
- Inspire loyalty in our customers, and
- Ensure financial health.

REPORT OF THE BOARD OF MANAGEMENT

The Group is improving its customer service by gaining a better understanding of the needs of its customers. The continuous improvement agenda also included the introduction of a quality management system this year that best suits the organisation.

The Group continues to build on the partnership work that it does to support tenancies, improve services and create desirable and self-sustaining communities. This includes working more closely with specialist support providers, young people, tenants and owners' groups alike.

The Dunedin Canmore Group is committed to maintaining strong governance, good leadership and will continue to keep the Group structure under review in order to develop and grow its presence in Edinburgh, the Lothians and Fife. This involves developing the skills of board members and staff.

The Dunedin Canmore Group continues to develop its financial strategy and focuses on providing good value services to all of its customers. It also aims to increase the performance of the commercial business it runs to give additional financial support to the Group as a whole and reduce the reliance placed on grant aid.

As a progressive social enterprise the Dunedin Canmore Group develops its capacity in providing employment initiatives, seeks and adopts new forms of technology and renewable energy and takes an entrepreneurial approach to business development.



Core values

All of the activities of the Dunedin Canmore Group are based around three key important values. These values are embedded into our culture to ensure that we achieve our Vision:

- **Ethical:** By firmly embedding equality in all that we do, we inspire trust by being open, fair and respectful to our customers, our suppliers and each other.
- **Commitment:** By working together and adopting an enterprising and "can do" attitude, we will focus on making it happen and realise our aspirations.
- **Excellence:** We are passionate to be the best, promoting a culture of continuous improvement and innovation in order to deliver the highest standard of services.

Core competencies

At Dunedin Canmore we are committed to developing people. A key part of this is to ensure that there are sound management practices and consistent principles of performance across the company. We want the business to be a place where on-going learning and improvement happens as a matter of course. In order to achieve this Dunedin Canmore has a set of core competencies giving everyone the opportunity to reach their full potential. They are:

- Customer Service
- Communication
- Teamwork
- Adaptation to Change
- Leadership
- Business Focus
- Developing Capability
- Strategic Thinking
- Role Model
- Driving Direction





Staff

The staff structure has been set up to support every aspect of the business in depth. By maintaining the skills, knowledge and experience of board members and staff the Group is well placed to add value to the provision of first-class services in its areas of operation. Training continues to be the main focus to enhance the skills of our staff.

Applications by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities, as are applications from others irrespective of sex, marital status, age, religious belief, sexual orientation, colour, race or ethnic origin. All staff are employed by Dunedin Canmore Enterprise, the Association's subsidiary, which provides agency services to the Association and others.

Staff involvement

The Group keeps its staff informed of matters affecting them and the financial and economic factors affecting the Group and its tenants. This is achieved through regular newsletters to tenants and staff and by staff briefings after Board, Directors and Managers meetings. The Group has also formed a Consultative Employee Group to provide a forum to exchange views and to improve communication and consultation between management and staff.

Health and safety

The Dunedin Canmore Group was the first Scottish housing group to have been approved as an Institute of Occupational Safety and Health training provider for the nationally recognised Managing Safely Course. As part of the strategic development of health and safety management within the Group, all Directors and Managers have been invited to undertake this course as well as external delegates from other housing associations. The course aims to get essential health and safety messages across to delegates to ensure that the Group continues to successfully manage health and safety.

Risk management

The Group operates a robust risk management system which identifies and records the risks facing the group and the action plan by which they are managed. The principal risks facing the group at present are welfare reform, funding for development and governance. To mitigate these risks the Board is pursuing, and has agreed, strategies and plans which will assist the group to access additional development funding and control its cash flow as well as to enhance its governance. Over the course of the next year the Board will be assessing its risk appetite.

REPORT OF THE BOARD OF MANAGEMENT



The Dunedin Canmore Group is working in an environment that encourages joint working with other associations and agencies.

Charitable donations

As well as the Group donating £1,452 (2014: £2,000) to various charities, staff took part in sponsored events for other charities. The Board would like to thank all the staff who raised money for various charities throughout the year.

Partnering

Dunedin Canmore Housing is regulated by the Scottish Housing Regulator. As a recipient of housing association grants it is essential that the guidance laid down by the Regulator is followed. In providing affordable housing the Association follows local and national housing strategies. Positive relationships with central and local government are of critical importance to the success of the Group.

The Dunedin Canmore Group is working in an environment that encourages joint working with other associations and agencies. This partnership approach is beneficial to providing support, regenerating communities and working with the private sector.

Loan funding

We continue to benefit from the loans provided by the funding syndicate of the Royal Bank of Scotland, Lloyds Banking Group and the

Nationwide Building Society. Exposure to interest rate fluctuations in the past has been minimised by seeking out low fixed rates. With the low variable rate options currently available any new drawdowns have been placed on short term rates and kept under regular review.

We remain able to meet our current commitments and seek out new projects to provide social and affordable housing in Edinburgh, the Lothians and Fife. Projects are assessed on many criteria, a key one of which is the availability of finance.

The Board is aware of the risks facing the Group in the coming years and has considered alternate development and funding strategies in order to satisfy itself that loan covenants can be met. We are actively seeking other funding sources for the Group and pursuing a strategy that will identify resources to sustain our development programme.

Through our initiatives we show real leadership in the housing sector. As a major housing provider and developer we are appreciative of the confidence expressed in us by our private funders and by the City of Edinburgh Council and the Scottish Government.



REPORT OF THE BOARD OF MANAGEMENT

The Group's housing properties are financed principally by a combination of housing association grant, bank borrowings and our own cash.

Finance

The Group's housing properties are financed principally by a combination of housing association grant, bank borrowings and our own cash. Bank borrowing facilities comprise a mixture of fixed rate loans and short term floating rate loans.

Treasury policy and liquidity risk

The Group's treasury policy has, as its principal objective, the maintenance of flexible bank facilities in order to cover anticipated borrowing requirements. A cash forecasting system enables the Group to plan and assess its future treasury needs. Short-term cash surpluses are managed to produce the most effective return. There are three interest rate swaps in place.

Interest rate risk

The Group's attitude to interest rate risk is informed by the existing and forecast conditions prevailing at the time that each new interest bearing instrument is entered into. This will determine, amongst other things, the term and whether a fixed or floating interest rate is most appropriate. The Group is able to make arrangements to convert floating rates to fixed rates.

Capital structure / funding

To meet the costs of the substantial developments planned by the Group we will continue to receive significant support from central and local government in the form of housing association grants. Our developments in Edinburgh have been allocated the majority of such funding over the life of these projects. In addition housing association grant supports our normal development programme. This is a key component of our ability to meet our obligations. With the reduction in grant funding without a



comparable reduction in housing demand the Group has been looking to identify alternative methods of obtaining finance to sustain its development programme. This may involve different financial models to those prevailing in the past.

The rest of the funding is derived from commercial loans from banks and building societies through a syndicate headed by the Royal Bank of Scotland and supported by Lloyds Banking Group and Nationwide Building Society as well as the Housing Finance Corporation.

Treasury management

Treasury management is a key finance function. It ensures that we have a proper cash flow through the Group. This includes monitoring that cash is received timeously and that suppliers are paid in accordance with their trading terms. It also maintains a watching brief so that where cash is held, it is invested safely but economically to ensure the best return for the Group.

We have in place a regime whereby sufficient cash is held to meet only our immediate obligations. The rapid access to development funding through the loan agreement ensures that we can satisfy our contractual obligations without incurring unnecessary interest costs.



Financial performance

Income and expenditure account

	2015 £ 000's	2014 £ 000's
Group turnover	33,351	29,064
Operating surplus	8,636	7,718
Interest costs	7,653	7,632
Pre tax surplus	859	223
Operating margin	25.9%	26.6%
Interest cover	1.6	1.5

The results as shown above arose in East Central Scotland. Interest is written off as it is incurred. Almost our entire turnover is spent on services directly related to our tenants.

Balance sheet

	2015 £ 000's	2014 £ 000's
Housing stock	342,637	345,325
Borrowings	165,823	165,853
Total financial indebtedness to net worth	62.5%	62.4%

REPORT OF THE BOARD OF MANAGEMENT



Change of ownership

On 6 June 2015 the share members of the Association voted to change the Rules to allow Wheatley Housing Group Limited to become its parent. On the same day the share members of our subsidiary, Dunedin Canmore Enterprise Limited, voted to do the same. The Rules of both associations have been registered by the Financial Conduct Authority and both became formal subsidiaries of Wheatley Housing Group Limited on 30 June 2015.

Merchants' Court housing development in Edinburgh

In September 2014 a £3.8 million housing development, built through partnership between The Merchant Company of Edinburgh's Endowments Trust, The City of Edinburgh Council and Dunedin Canmore Housing was opened by Her Royal Highness the Princess Royal. Her Royal Highness is an Old Master and an Honorary Member of The Merchant Company.

The development of 32 flats at Merchants' Court, Little Road, Liberton, Edinburgh, is designed to provide socially rented accommodation. The second phase of a further block of 16 flats was completed in April 2015. The flats are owned by The Merchant Company of Edinburgh's Endowments Trust and managed by Dunedin Canmore.

Universal Credit

March 2014 marked the formal end of the direct payment demonstration project. A meeting in London was used to capture views and comments on how the project had been run but it was also the opportunity for the Department of Works and Pensions to feed back to local authorities and landlords how our learning has influenced the design and implementation of Universal Credit.

When Dunedin Canmore agreed to participate in the project in April 2012 we had a number of aims:

- To learn how the imminent changes to welfare benefits would affect Dunedin Canmore,
- To influence the design and implementation of Universal Credit, and
- To share our learning with the housing sector in Scotland and key stakeholders.

In reviewing its involvement, Dunedin Canmore achieved all these aims and more. It is widely expected that the timetable for the roll out of Universal Credit will be revised following the general election.



Transitional flat partnership

For the past two years, Dunedin Canmore and Edinburgh-based homeless charity Four Square have been working in partnership to provide a short term (6-12 months) tenancy preparation scheme to young people aged 16-21 years, who have been homeless and previously occupied hostel accommodation with Four Square or Dunedin Canmore.

Following a successful period with the scheme, where they have learned homemaking, tenancy sustainment, money management and employment skills, young people are offered a permanent tenancy with Dunedin Canmore.

In October 2014 the board committed to provide funding to sustain this project for the next three financial years commencing in April 2015.

Health in Mind

Our partnership working arrangement with Health in Mind has ensured the continued operation of the residential unit for older men with mental health issues in Leith. The Care Inspectorate grading for this unit has moved from "Satisfactory" when it was run as a private enterprise to a recent "Very Good" grading under Dunedin Canmore. We are in discussions with City of Edinburgh Council officials as to whether or not the Council sees a place for this service in future hospital discharge plans.

Older persons strategy

We have approved the adoption of an Older Persons Strategy. Demographic changes will increasingly place pressures on landlords to address the needs of older tenants irrespective of where they live. The strategy articulates our ambitions and aspirations in respect of tenancy sustainment amongst older residents and will form the basis of future development, management and support provisions.

The aim of the strategy is that irrespective of tenure, location or current support provision, our older tenants should expect and receive, subject to resource availability, services which are person centred, affordable and sustainable.

Customer panel

The panel's first report on voids was completed in February 2014 and presented to the board the following month. A review of the report was done in January 2015. The panel's second report focused on communications, and in particular, our customer service centre, the complaints policy and procedure and the recently upgraded website.

The panel made a number of recommendations which will be taken forward during 2015-16. We thank the panel for its work.





Home Energy Advice Team (HEAT)

With the support from the Big Lottery Support and Connect grant funding, we set up a Home Energy Advice Team in June 2014. With Lottery funding of £220,371, we have recruited four members of staff to tackle fuel poverty by helping our tenants and residents to save money on their energy bills. The new team has become part of our wider support services with a specialised remit, but also links with other existing services within the organisation. This enables us to provide an even more holistic service to our customers.

Since the start of the new service HEAT has received over 1,000 referrals, carried out over 700 home energy advice visits and helped our customers save a total of over £118,000 (on average around £170 per household visited). The range of advice provided includes general energy advice, heating demonstrations, tackling condensation and mould in homes, assistance in dealing with energy suppliers in relation to fuel bills and tariff switching, handholding service for those in fuel switching programme and capped gas supply costs.

Youth and employability initiatives

These initiatives are designed to engage young people through a youth café drop in, street work, outdoor volunteering projects, residential

activities and employability support. Dunedin Canmore Youth Projects engaged with 518 young people, 173 progressing into positive destinations including learning, further education, training, volunteering or employment. 114 have achieved the John Muir Award, an environmental initiative which encourages people to connect with, enjoy, and care for wild places.

Literacy initiatives

This project aims to provide money and welfare advice, and energy advice as well as a range of other activities such as healthy eating, cooking, health and safety, tackling fuel poverty and employability. 418 tenants benefited from money advice, welfare rights, energy advice and tenancy support.

Information Technology initiatives

Our IT initiatives are designed to engage people in computer-based learning and improve community access to the internet. People have opportunities to gain accredited certification in Microsoft Office packages. 548 participants have engaged in using our IT facilities based within local community centres with 62 undertaking training/learning activities. 33 have passed the Microsoft Office Specialist professional exam and 23 passed Microsoft Technology Associate professional exam.

REPORT OF THE BOARD OF MANAGEMENT



Statement of the Board's responsibilities

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation requires the Board of Management to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Association and the Group and of the surplus or deficit for that period.

In preparing those financial statements the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and the Group and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Acts 2001 to 2010 and the Determination of Accounting Requirements April 2012.

The Board also has general responsibility for taking reasonable steps to safeguard the assets of the Association and the Group to prevent and detect fraud and other irregularities.

No material uncertainties that cast significant doubt about the ability of the Association and its subsidiary to continue as going concerns have been identified by the Board.

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

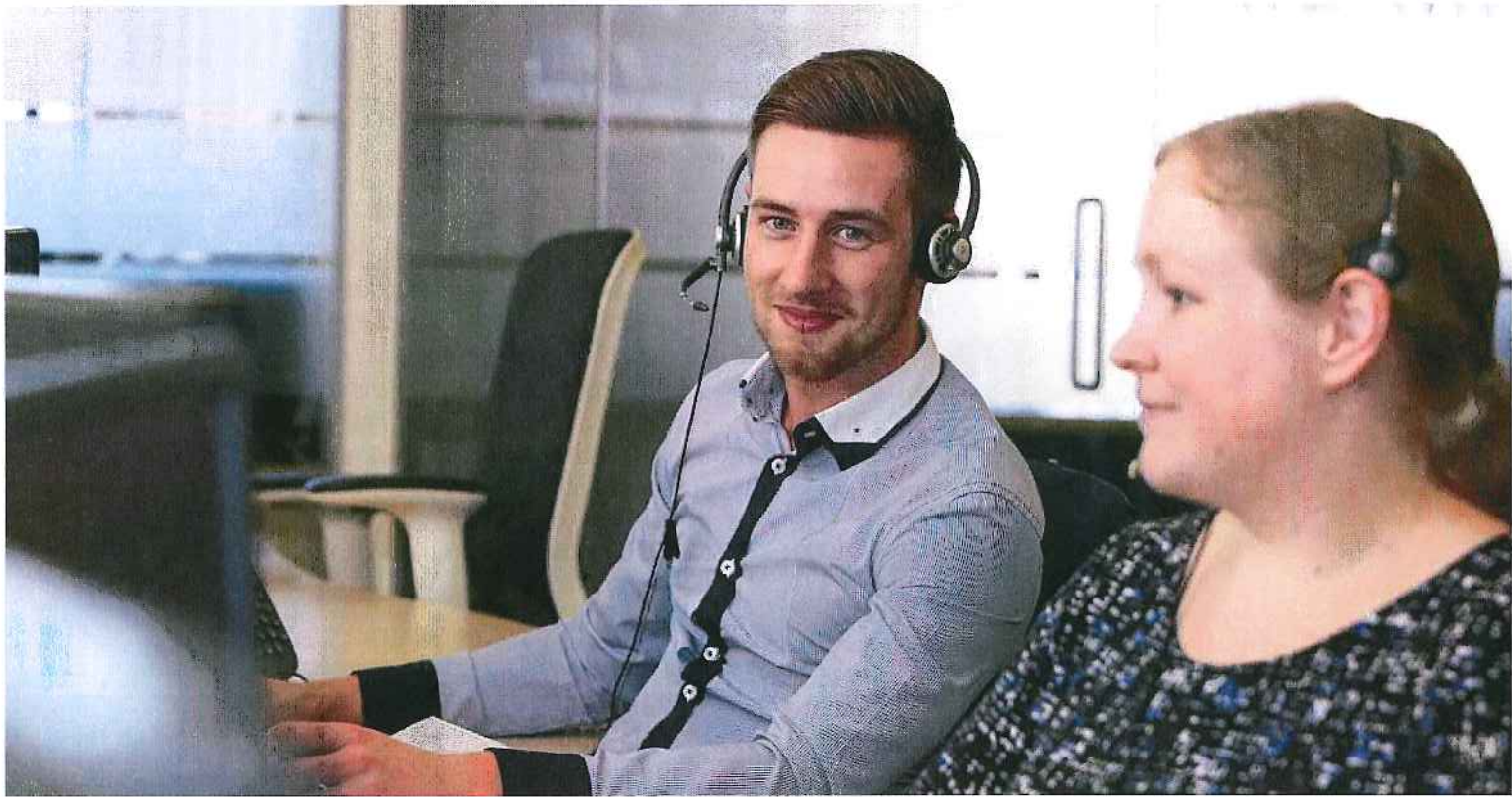
A resolution to reappoint Baker Tilly UK Audit LLP as auditor will be proposed at the Annual General Meeting.

Our thanks, as always, go to all our staff, our partners and funders for their support and help over the last year.

By order of the Board of Management.

Mary Mulligan
Board Member
06 August 2015

Roy Walker
Group Secretary



Board Statement on Internal Financial Controls

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

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

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

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets
- Experienced and suitably qualified and trained staff take responsibility for important business functions and have been provided with comprehensive guidance on the standards to be applied throughout the Association. Annual appraisal procedures have been established to review standards of performance



BOARD STATEMENT ON INTERNAL FINANCIAL CONTROLS



All significant new initiatives, major commitments and investment projects and their financial implications are assessed and are subject to formal authorisation procedures through the Board of Management.

- Forecasts and budgets are prepared which allow the Board of Management to monitor the financial objectives and key business risks and progress towards financial plans set for the year and the medium term. Quarterly management accounts are prepared comparing actual results against budget, and are presented to the Board of Management to provide pertinent reliable and up-to-date financial information. Significant variances from budget are investigated as appropriate
- All significant new initiatives, major commitments and investment projects and their financial implications are assessed and are subject to formal authorisation procedures through the Board of Management
- The Board of Management reviews reports from the external auditors, internal auditors and from management, to provide reasonable assurance that control procedures are in place and are being followed. The Board also receives progress reports on areas where the internal and external auditors have commented and ensures that action is taken where it considers it appropriate.



Acting on behalf of the Board of Management, the Group Audit Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2015 and until 9 June 2015. No weaknesses were found in internal financial controls, which resulted in material losses, contingencies, or uncertainties, which require disclosure in the financial statements, or in the auditor's report on the financial statements.

Mary Mulligan
Board Member
06 August 2015

Roy Walker
Group Secretary

M. M. Mulligan

Roy A Walker

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF DUNEDIN CANMORE HOUSING LIMITED ON INTERNAL FINANCIAL CONTROLS

In addition to our audit of the financial statements, we have reviewed your statement on pages 20 to 21 concerning the Association's compliance with the information required by the regulatory standards for systemically important registered social landlords in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated regulatory advisory notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within bulletin 2006/5 issued by the Financial Reporting Council through enquiry of certain members of the management committee and officers of the Association and examination of relevant documents. The bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the statement on internal financial control on pages 20 to 21 has provided the disclosures required by the relevant regulatory standards for systemically important registered social landlords within the publication "Our Regulatory Framework" and associated regulatory advisory notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP
Statutory Auditor
Chartered Accountants
First Floor, Quay 2
139 Fountainbridge
Edinburgh EH3 9QG

10 August 2015

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF DUNEDIN CANMORE HOUSING LIMITED

We have audited the group and parent association financial statements of Dunedin Canmore Housing Limited for the year ended 31 March 2015 (the "financial statements") on pages 24 to 43. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members as a body, in accordance with part 7 of the Cooperative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board and auditor

As explained more fully in the Board's Responsibilities Statement set out on page 19 the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Association's affairs as at 31 March 2015 and of the income and expenditure of the Group and the income and expenditure of the Association for the year then ended;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – April 2012.

Matters on which we are required to report by exception

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

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

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP
Statutory Auditor
Chartered Accountants
First Floor, Quay 2
139 Fountainbridge
Edinburgh EH3 9QG

10 August 2015



INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

	Note	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
Turnover	2	33,351	29,064	29,438	25,574
Operating costs		(24,715)	(21,346)	(21,698)	(18,506)
Operating surplus		8,636	7,718	7,740	7,068
(Deficit)/surplus on sale of fixed assets		(253)	119	(253)	119
Interest receivable and other income		129	18	654	543
Interest payable and similar charges	5	(7,653)	(7,632)	(7,617)	(7,594)
Surplus on ordinary activities before taxation	4	859	223	524	136
Tax on surplus on ordinary activities	6	66	10	–	–
Surplus for the year	16	793	213	524	136

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Note	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
Surplus for the year		793	213	524	136
Unrealised surplus on revaluation of investment properties	17	2,794	6,098	3,180	4,931
Total recognised surplus relating to the year		3,587	6,311	3,704	5,067
Total surplus recognised since last annual report		3,587	6,311	3,704	5,067

Total recognised surpluses relate wholly to continuing activities.

The notes on pages 27 to 43 form part of these financial statements.

BALANCE SHEET

AS AT 31 MARCH 2015

	Note	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
Fixed assets					
Housing properties – depreciated cost	7(a)	342,637	345,325	342,637	345,325
HAG and other grants	7(a)	(213,167)	(214,769)	(213,167)	(214,769)
		129,470	130,556	129,470	130,556
Other fixed assets	7(b)	73,138	66,075	56,012	48,554
HAG on other fixed assets	7(b)	(10,583)	(9,451)	(8,610)	(7,478)
Homestake	8	–	–	–	–
Investments	9	–	–	–	–
Total fixed assets		192,025	187,180	176,872	171,632
Current assets					
Stock	10	144	168	40	35
Debtors: falling due within one year	11	3,739	2,745	3,109	1,812
falling due after one year	11	–	–	9,500	9,500
Cash and short term deposits		11,005	12,155	10,529	11,978
		14,888	15,068	23,178	23,325
Creditors: amounts falling due within one year	12	(6,701)	(5,516)	(6,233)	(4,744)
Net current assets		8,187	9,552	16,945	18,581
Total assets less current liabilities		200,212	196,732	193,817	190,213
Creditors: amounts falling due after more than one year					
Loans	13	(165,693)	(165,824)	(164,900)	(165,000)
Provision for liabilities and charges					
Deferred tax	14	(43)	(19)	–	–
Net assets		34,476	30,889	28,917	25,213
Capital and reserves					
Share capital	15	–	–	–	–
Revenue reserve	16	18,869	18,076	18,695	18,171
Pre-acquisition reserve		643	643	–	–
Revaluation reserve	17	14,964	12,170	10,222	7,042
		34,476	30,889	28,917	25,213

These financial statements were approved by the Board of Management on 06 August 2015 and were signed on its behalf by:

Mary Mulligan (Board Member), John Fletcher (Board Member), Roy Walker (Group Secretary).

The notes on pages 27 to 43 form part of these financial statements.

M. M. Mulligan

J. Fletcher

Roy Walker

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

	Note	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
Net cash inflow from operating activities	18(i)	11,728	12,653	11,636	11,594
Returns on investments and servicing of finance					
Interest received		125	18	650	543
Interest paid		(7,456)	(7,942)	(7,730)	(7,594)
Net cash outflow from returns on investments and servicing of finance		(7,331)	(7,924)	(7,080)	(7,051)
Taxation					
Corporation tax paid		(20)	(6)	-	-
Net cash outflow from taxation		(20)	(6)	-	-
Capital expenditure and financial investment					
Acquisition and construction of properties		(10,413)	(6,956)	(10,927)	(6,442)
Purchase of other fixed assets		(466)	(9,251)	(458)	(9,207)
Homestake grants received/(paid)		(167)	264	(167)	264
Homestake funding received/(paid)		167	(264)	167	(264)
Capital grants received		1,274	2,458	1,274	2,458
Capital grants repaid		(1,744)	(82)	(1,744)	(82)
Sales of properties		5,852	1,792	5,850	1,792
Loan advances to group companies		-	-	-	(50)
Net cash outflow – capital expenditure		(5,497)	(12,039)	(6,005)	(11,531)
Net cash outflow before use of liquid resources and financing		(1,120)	(7,316)	(1,449)	(6,988)
Financing					
Loan advances received		-	16,472	-	16,500
Loan principal repayments		(30)	-	-	-
Net cash (outflow)/inflow from financing		(30)	16,472	-	16,500
(Decrease)/increase in cash in the year	18(ii), (iii)	(1,150)	9,156	(1,449)	9,512

The notes on pages 27 to 43 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

These financial statements are prepared in accordance with applicable Accounting Standards and the Statement of Recommended Practice – Accounting by Registered Social Landlords (2010).

They also comply with the Determination of Accounting Requirements April 2012. A summary of the principal accounting policies is set out in paragraphs (a) to (p) below.

1. Principal accounting policies

(a) Group accounts/basis of preparation

The Group financial statements consolidate the financial statements of Dunedin Canmore Housing Limited and its subsidiary, Dunedin Canmore Enterprise Limited, made up to 31 March 2015.

(b) Accounting basis

These financial statements are prepared under the historical cost convention modified to include the revaluation of investment assets.

(c) Going Concern

The financial statements have been prepared on a going concern basis. The Board have assessed the Group and the Association's ability to continue as a going concern and have reasonable expectation that the Group and the Association has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

(d) Turnover

Turnover represents rental and service charge income receivable (net of voids), factoring income, fees and revenue-based grants receivable from local authorities and the Scottish Government.

(e) Fixed assets – housing properties

Housing properties comprise several components with substantially different useful economic lives and under the component accounting principle each major component is accounted for separately and depreciated over its individual useful economic life.

Housing properties and components are stated at cost. The development costs of housing properties funded with traditional Housing Association Grant or under earlier funding arrangements include the following:

- (i) cost of acquiring land and buildings; and
- (ii) development expenditure, which is capitalised, including interest on development loans.

Expenditure, less housing association grant and other grants, on schemes, which are subsequently aborted, is written off in the year in which it is recognised that the schemes will not proceed.

(f) Works to existing housing properties

Where work is carried out to existing properties and results in an enhancement of the economic benefits of the property they will be accounted for as an improvement and capitalised in note 7. Such circumstances are as follows:

- (i) Where a component of the tangible fixed asset that has been treated separately for depreciation purposes and depreciated over its individual useful economic life, is replaced or restored.
- (ii) Where the subsequent expenditure provides an enhancement of the economic benefits of the tangible fixed asset in excess of the previously assessed standard of performance.
- (iii) Where the subsequent expenditure relates to a major inspection or overhaul of a tangible fixed asset that restores the economic benefits of the asset that have been consumed by the entity and have already been reflected in depreciation.
- (iv) Works on existing properties that are not regarded as enhancing their value are charged to the income and expenditure account and included under maintenance costs.

(g) Housing Association Grant

Housing Association Grant is payable by the City of Edinburgh Council and the Scottish Government and is calculated on the qualifying capital costs of schemes in accordance with instructions issued from time to time by the Scottish Government. The grant is paid direct to the Association and is reflected in the financial statements when due to be received. Costs not funded by housing association grant are funded from other sources or internally.

Housing association grant is repayable under certain circumstances, primarily following the sale of a property but will normally be restricted to the net proceeds of sale.

Housing association grant received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

(h) Depreciation

- (i) Housing properties

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Freehold land is not depreciated.

The Association depreciates the net cost of freehold housing properties by component on a straight line basis over the estimated useful economic lives of component categories.



NOTES TO THE FINANCIAL STATEMENTS

The net cost is reached by reducing the historic cost of the component (minus the cost of the land) by the proportion of Housing Association Grant and other capital grants received in respect of the component elements of the property. A full year's depreciation is charged in the year in which the property is practically complete.

Useful economic lives for identified components are as follows:

Component	Useful Economic Life
Frame	100 Years
Kitchen	15 Years
Bathroom	24 Years
Shower	12 Years
Windows	30 Years
Heating	30 Years
Boiler	15 Years
Smoke Detector	10 Years
Carbon Monoxide Detector	5 Years

Shared ownership properties are not depreciated as the residual value is expected to exceed the current value in the financial statements.

(ii) Office properties

Depreciation is charged on a straight-line basis over the remaining expected useful life of the property. All properties are assumed to have an original useful economic life of 60 years. In accordance with Financial Reporting Standard 15, an impairment review of office properties has been carried out and no further adjustment is deemed necessary.

(iii) Other fixed assets

Depreciation is provided on motor vehicles and office furniture and equipment at 10% to 20% per annum on cost. Computer equipment is depreciated at 20% except for servers (33%). Solar panels are depreciated over 25 years. Shortlife assets may be depreciated at accelerated rates. A part year's depreciation is charged on assets in the year of purchase and in the year of disposal.

(i) Investments

Investment income is brought into account when due and receivable. Investments in Group undertakings are stated at cost. Programme related investments (Homestake) are stated at cost.

(j) Stock

Stock of maintenance materials has been valued at average cost. Cost is defined as suppliers invoice price. Stock also includes the estimated cost of the first tranche of shared ownership properties (see policy q).

(k) Investment properties

Investment properties, comprising mid-market rent properties and commercial properties, are revalued annually and if material the aggregate surplus or deficit is transferred to a revaluation reserve. Where the total of the revaluation reserve is insufficient to cover a deficit, the amount by which the deficit exceeds the amount in the investment revaluation reserve is charged in the income and expenditure account. No depreciation is provided in respect of freehold investment properties.

(l) Deferred tax

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for financial statements purposes and their treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax discounting is not applied.

(m) Homestake

Grants received in respect of the open market Homestake scheme in which Dunedin Canmore Enterprise Limited participated were passed on to the equity sharing homeowner on completion of the house purchase and are shown in note 8. A standard security is taken over the property on behalf of the Scottish Government and no interest or rent is receivable. Dunedin Canmore Enterprise Limited's participation in the open market scheme has now ceased. Grants repayable when the homeowner sells the property are repaid to the Scottish Government on completion of the sale.

Grants received on behalf of equity sharing owners purchasing properties from Dunedin Canmore Housing Limited are similarly shown in note 8 together with the gross cost of the properties and the share of the costs funded by the equity sharing purchaser. Again, a standard security is taken over the property and no interest or rent is receivable from the equity sharing owner.

The cost of Homestake properties purchased by the Association but not yet sold at the balance sheet date is shown separately as a current asset within debtors. Grants received in advance of sales, and grants in excess of requirements or returned on sale and repayable to the funder, are shown separately in current liabilities.

(n) Pension costs

Dunedin Canmore Enterprise Limited participates in the Scottish Housing Associations' defined benefits pension scheme which is a multi-employer scheme. The cost of the pension provision is charged to the income and expenditure account as contributions fall due.

(o) Grants

Capital grants are credited to the balance sheet and released to the income and expenditure account as expenditure is incurred.

Revenue grants are credited to the income and expenditure account, in full, in the year in which they are receivable.

(p) Shared ownership properties

Shared ownership properties are split between fixed assets and current assets (stock) determined by the percentage of the property to be sold under a first tranche sale and subsequent tranches in proportion to the share of equity sold. Proceeds from the first tranche sale are accounted for in Turnover and costs in Operating Costs in the period in which the sale occurs. Subsequent sales are accounted for in Profit or Loss on Sale of Fixed Assets.

NOTES TO THE FINANCIAL STATEMENTS

2. Turnover

	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
Rent receivable	26,515	24,517	24,826	23,668
Losses arising from vacant possession	(284)	(344)	(245)	(294)
	26,231	24,173	24,581	23,374
Management services and other income	7,120	4,891	4,857	2,200
Total turnover	33,351	29,064	29,438	25,574

3. Directors', employees' and workers' emoluments

Directors

Dunedin Canmore Housing does not employ any staff. Dunedin Canmore Enterprise provides staff and services to Dunedin Canmore Housing as well as others in respect of development, financial services, housing management and maintenance. This includes the directors of the Association.

Directors are defined as members of the Board of Management, the Chief Executive and any other senior staff reporting directly to the Chief Executive. No emoluments were paid to the Board of Management during the year.

	2015 £ 000's	2014 £ 000's
Aggregate emoluments payable to directors (excluding national insurance)	455	447
Emoluments payable to Chief Executive (excluding pension contributions and national insurance)	108	106

The number of directors (including the highest paid director) who received emoluments (including pension contributions) in the following ranges was:

	2015 Number	2014 Number
up to £60,000	1	2
£60,001 to £70,000	-	1
£70,001 to £80,000	3	3
£80,001 to £90,000	1	-
£90,001 to £100,000	-	-
£100,001 to £110,000	-	-
£110,001 to £120,000	1	1

During the year 6 directors (2014: 7) participated in the Scottish Housing Associations' defined benefit pension scheme. The Chief Executive is an ordinary member of the pension scheme. No enhanced or special terms apply to membership and he has no other pension arrangements to which Dunedin Canmore Enterprise contributes. The contributions for the Chief Executive in the period amount to £8,497 (2014: £7,860).

No loans were made to board members, officers or employees during the year and none were outstanding at 31 March 2015 (2014: Nil).

	2015 £ 000's	2014 £ 000's
Expenses reimbursed not chargeable to UK income tax	2	1

NOTES TO THE FINANCIAL STATEMENTS

3. Directors', employees' and workers' emoluments (cont.)

Staff

The average weekly number of full time equivalent persons paid by the Group during the year was:

	2015 Number	2014 Number
Support staff	134	120
Care and support staff	36	30
Direct maintenance staff	60	61
Contracts team	34	33
	<hr/> 264	<hr/> 244
	<hr/>	<hr/>
Costs (including directors)	£ 000's	£ 000's
Wages, salaries and workers' costs	7,036	6,906
Social security costs	679	580
Pension costs	974	744
Temporary staff costs	62	182
	<hr/> 8,751	<hr/> 8,412
	<hr/>	<hr/>

4. Surplus for the year is stated after charging

	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
Depreciation – housing stock	3,639	3,587	3,639	3,587
Depreciation – other assets	412	422	397	404
Repairs: cyclical, major, day to day	4,600	4,530	4,600	4,530
External auditor's remuneration including VAT:				
In their capacity as auditors	26	27	18	19
Other services	5	4	4	3
	<hr/>	<hr/>	<hr/>	<hr/>

5. Interest payable and similar charges

	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
Interest payable	7,576	7,576	7,540	7,538
Other costs	77	56	77	56
	<hr/> 7,653	<hr/> 7,632	<hr/> 7,617	<hr/> 7,594
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

6. Taxation

(a)	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
UK corporation tax				
Based on the results for the year	71	49	-	-
Adjustments in respect of previous periods	(29)	(42)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total current tax (note 6b)	42	7	-	-
Deferred taxation (note 6c)	24	3	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Tax on surplus on ordinary activities	66	10	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

(b)

Factors affecting tax charge for the year

The tax assessed for the period is lower (2014: lower) than the expected tax charge as explained below:

	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
Surplus on ordinary activities before taxation	859	223	524	136
	<hr/>	<hr/>	<hr/>	<hr/>
Expected tax charge at 21% (2014: 20%)	180	51	110	31
Short term timing differences and expenses not allowable for tax	2	33	-	-
Exempt charitable activities	(110)	(31)	(110)	(31)
Marginal tax relief	(1)	(4)	-	-
Adjustments in respect of previous periods	(29)	(42)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Current tax charge (note 6a)	42	7	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

(c)

	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
Deferred tax				
Fixed asset timing differences	(2)	5	-	-
Short term timing differences	26	-	-	-
Effect of tax rate change on opening balances	-	(2)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Current tax charge (note 6a)	24	3	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

No provision has been made for deferred tax of £659,000 (2014: £671,000) in respect of gains arising from the revaluation of fixed assets in the financial statements of Dunedin Canmore Enterprise Limited.



NOTES TO THE FINANCIAL STATEMENTS

7. Tangible fixed assets

(a) Housing Properties – Association and Group

	Note	Housing properties held for letting £ 000's	Completed shared ownership schemes £ 000's	Housing properties under construction £ 000's	Total £ 000's
Cost:					
At 1 April 2014		344,763	22,258	9,493	376,514
Additions – new build		–	–	8,527	8,527
Additions – refurbishment		2,744	–	–	2,744
Transfers		925	–	(925)	–
Transferred to Investment Properties	7(b)	–	–	(4,546)	(4,546)
Disposals		(1,332)	(43)	(5,157)	(6,532)
At 31 March 2015		347,100	22,215	7,392	376,707
Depreciation:					
At 1 April 2014		31,150	39	–	31,189
Charge for the year		3,639	–	–	3,639
Eliminated on disposals		(758)	–	–	(758)
At 31 March 2015		34,031	39	–	34,070
Net book amount:					
At 31 March 2015		313,069	22,176	7,392	342,637
At 31 March 2014		313,613	22,219	9,493	345,325

Housing Association Grant and other grants

	HAG on completed schemes £ 000's	HAG in development £ 000's	Other grants £ 000's	Total £ 000's
At 1 April 2014	201,349	5,653	7,767	214,769
Received in year	–	1,064	209	1,273
Disposed	–	(1,558)	–	(1,558)
HAG repaid and abated	(186)	–	–	(186)
Transfers	134	(1,265)	–	(1,131)
At 31 March 2015	201,297	3,894	7,976	213,167

HAG of £13.706m for shared ownership properties is included in HAG on completed schemes.

NOTES TO THE FINANCIAL STATEMENTS

7. Tangible fixed assets (cont.)

(b) Other Fixed Assets – Group

	Note	Investment and Other Properties held for letting £ 000's	Office and Other Premises £ 000's	Other Fixed Assets £ 000's	Total £ 000's
Cost/valuation					
At 1 April 2014		58,253	7,800	2,626	68,679
Additions		50	–	416	466
Transfers from housing properties	7(a)	4,546	(72)	72	4,546
Disposals		(329)	–	(1)	(330)
Surplus on revaluation		2,794	–	–	2,794
At 31 March 2015		65,314	7,728	3,113	76,155
Depreciation:					
At 1 April 2014		–	878	1,726	2,604
Charge for the year		–	97	315	412
Eliminated on disposals		–	–	1	1
At 31 March 2015		–	975	2,042	3,017
Net book amount:					
At 31 March 2015		65,314	6,753	1,071	73,138
At 31 March 2014		58,253	6,922	900	66,075

Investment properties of Dunedin Canmore Enterprise Limited with a value of £17,034,000 as at 31 March 2015 were valued by Allan Briggs RICS of Jones Lang LaSalle Limited. The basis of valuation is the aggregate Market Value of individual units with a 'special assumption' of vacant possession, and assuming the immediate realisation of proceeds. At the time of the valuation they were tenanted under Scottish Short Assured Tenancies. The historical cost of these properties at 31 March 2015 was £12,292,267 (2014: £12,292,267). One of the properties is valued at EUV-SH of £309,000 due to title restrictions if it were to be sold. Included in the revaluation surplus of £2,794,000 for 2015 is an amount of £672,500 relating to prior periods. No prior year adjustment has been incorporated into these financial statements. Inter-company surpluses of £36,291 have been eliminated on consolidation.

Investment properties of Dunedin Canmore Housing Limited with a value of £48,317,669 as at 31 March 2015 were also valued by Allan Briggs RICS of Jones Lang LaSalle Limited. The basis of valuation is the aggregate Market Value of individual units with a 'special assumption' of vacant possession, and assuming the immediate realisation of proceeds. At the time of the valuation they were tenanted under Scottish Short Assured Tenancies. The historical cost of these properties at 31 March 2015 was £38,095,256 (2014: £33,829,550).

Investment properties include 24 properties subject to a buyback provision at cost. The cost of these properties was £2,045,196 (2014: £2,387,650).

(b) Housing Association Grant on other Fixed Assets – Group

	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
At 1 April 2014	9,451	7,502	7,478	5,529
Received in year	1,132	1,949	1,132	1,949
At 31 March 2015	10,583	9,451	8,610	7,478

NOTES TO THE FINANCIAL STATEMENTS

7. Tangible fixed assets (cont.)

b) Other Fixed Assets – Association

	Investment and Other Properties held for letting £ 000's	Office and Other Premises £ 000's	Other Fixed Assets £ 000's	Total £ 000's
Cost/valuation:				
At 1 April 2014	40,870	7,800	2,462	51,132
Additions	50	–	408	458
Transfers from housing properties	7(a) 4,546	(72)	72	4,546
Disposals	(329)	–	–	(329)
Surplus on revaluation	3,180	–	–	3,180
At 31 March 2015	48,317	7,728	2,942	58,987
Depreciation:				
At 1 April 2014	–	878	1,700	2,578
Charge for the year	–	97	300	397
At 31 March 2015	–	975	2,000	2,975
Net book amount:				
At 31 March 2015	48,317	6,753	942	56,012
At 31 March 2014	40,870	6,922	762	48,554

Investment properties of Dunedin Canmore Housing Limited with a value of £48,317,669 as at 31 March 2015 were also valued by Allan Briggs RICS of Jones Lang LaSalle Limited. The basis of valuation is the aggregate Market Value of individual units with a 'special assumption' of vacant possession, and assuming the immediate realisation of proceeds. At the time of the valuation they were tenanted under Scottish Short Assured Tenancies. The historical cost of these properties at 31 March 2015 was £38,095,256 (2014: £33,829,550).

Unit numbers	Group 2015	Group 2014	Association 2015	Association 2014
Housing accommodation for letting:				
1 apartment	91	26	91	26
2 apartment	2,699	2,734	2,699	2,734
3 apartment	1,541	1,495	1,541	1,495
4 apartment	536	538	536	538
5 apartment +	107	107	107	107
Total self contained units	4,974	4,900	4,974	4,900
Non self contained units	70	69	70	69
Non self contained bed spaces	130	130	130	130
Shared ownership	355	351	355	351
Investment properties:				
Mid and market rent	463	427	350	314
Commercial	13	13	10	10
Others	11	11	–	–
	6,016	5,901	5,889	5,774

As at 31 March 2015 the number of properties the Association leased to Dunedin Canmore Enterprise Limited for onward letting was 350 (2014: 310) for mid and market rent as well as 7 commercial units (2014: 7).

NOTES TO THE FINANCIAL STATEMENTS

8. Homestake

Cumulative to 31 March 2015

	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
Homestake grants received	15,799	16,380	3,258	3,372
Homestake grants paid	(15,799)	(16,380)	(3,258)	(3,372)
At 31 March 2015	-	-	-	-
Homestake property purchases	8,353	8,636	8,353	8,636
Homestake funding:				
Grants	(3,258)	(3,372)	(3,258)	(3,372)
Proceeds from shared equity owners	(5,095)	(5,264)	(5,095)	(5,264)
	-	-	-	-

The Association and its subsidiary Dunedin Canmore Enterprise participated in the Scottish Government's Homestake scheme which was a "shared equity" scheme to assist those on lower incomes to own their own home. Grants were made to equity sharing owners to reduce the purchase cost to an affordable level. A standard security was taken over the property in favour of the Scottish Government and no interest or rent is receivable from the equity sharing owner. During the year the Board reviewed the Homestake register and revised the figures for the previous year.

9. Investments

	Cost 2015 £	Cost 2014 £
Group undertakings:		
Shares in Dunedin Canmore Enterprise Limited	-	-
	-	-

The Association owns 12 £1 nominal value shares in Dunedin Canmore Enterprise Limited at nil cost (2014: nil). This equates to 100% of the issued share capital and voting rights.

10. Stock

	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
Maintenance stock	104	133	-	-
Shared ownership properties to be sold	40	35	40	35
	144	168	40	35



NOTES TO THE FINANCIAL STATEMENTS

11. Debtors

	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
Due within one year:				
Rental debtors	726	879	700	838
Provision for doubtful debts	(254)	(288)	(176)	(231)
Other debtors	2,035	1,313	1,099	339
Prepayments and accrued income	1,232	841	760	361
Corporation tax recoverable	-	-	760	361
Due from group company	-	-	726	505
	<u>3,739</u>	<u>2,745</u>	<u>3,109</u>	<u>1,812</u>
Due after one year:				
Due from group company	-	-	9,500	9,500

12. Creditors: amounts falling due within one year

	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
Housing loans (note 13)	130	29	100	-
Rent in advance	406	425	406	425
Tenants' deposits	272	232	6	6
Trade creditors	2,308	1,315	1,822	999
Homestake grants	155	155	155	155
Accruals and deferred income (including capital grants)	3,144	3,107	2,881	2,934
Corporation tax	71	49	-	-
Other taxation and social security	215	204	43	46
Due to group company	-	-	820	179
	<u>6,701</u>	<u>5,516</u>	<u>6,233</u>	<u>4,744</u>

NOTES TO THE FINANCIAL STATEMENTS

13. Loans

	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
(a) Fixed rate				
Advanced by UK banks/building societies	132,073	131,250	131,250	131,250
(b) Variable rate				
Advanced by UK banks/building societies	33,750	34,604	33,750	33,750
	165,823	165,854	165,000	165,000
Analysis of duration of loans:				
Repayable in one year or less	130	29	100	–
Repayable in more than one year but less than two years	231	29	100	100
Repayable in more than two years but less than five years	11,391	387	11,000	300
Repayable in more than five years	154,071	165,409	153,800	164,600
	165,823	165,854	165,000	165,000
Being loan falling due:				
Within one year	130	29	100	–
After more than one year	165,693	165,824	164,900	165,000
	165,823	165,853	165,000	165,000

All loans are repayable by instalments and are secured by way of standard securities or other charges on certain of the Group's properties.

As at 31 March 2015 79.5% (2014: 79.1%) of the loans were at fixed rates for a period of one year or more. The average rate of interest was 4.49% (2014: 4.84%). The loans are all currently at rates between 1.25% and 5.74% (2014: 1.2% and 6.5%).

The Association has no further loan facility to fund future developments.

The Association's activities expose it to interest rate risk. The Association uses interest rate derivatives to hedge these exposures. The financial instruments are not used for speculative purposes. The Association has a number of interest rate swaps in place which places a limit on the interest payable on £46.1m of the bank borrowings. The rate payable is fixed at 4.99%. The term of the agreement is from 2 June 2014 to the termination date of 30 June 2036. The banks' valuation of the fair value of these loans is £26.4m (2014: £15.4m).

14. Deferred tax

	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
Provision for deferred tax				
Fixed asset timing differences	17	19	–	–
Short term timing differences	26	–	–	–
Total deferred tax liability	43	19	–	–
Provision at 1 April 2014	19	16	–	–
Charge for the year	24	3	–	–
Provision at 31 March 2015	43	19	–	–

NOTES TO THE FINANCIAL STATEMENTS

15. Share capital

	2015 £	2014 £
Shares of £1 each issued and fully paid:		
At beginning of year	58	64
Issued in year	28	6
Cancelled in year	(7)	(12)
	<hr/>	<hr/>
At end of year	79	58
	<hr/>	<hr/>

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.

16. Revenue reserve

	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
At 1 April 2014	18,076	17,863	18,171	18,035
Surplus for the year	793	213	524	136
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	18,869	18,076	18,695	18,171
	<hr/>	<hr/>	<hr/>	<hr/>

17. Revaluation reserve

	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
At 1 April 2014	12,170	6,072	7,042	2,111
Revaluation surplus	2,794	6,098	3,180	4,931
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	14,964	12,170	10,222	7,042
	<hr/>	<hr/>	<hr/>	<hr/>

18. Cashflow

(i) Reconciliation of operating surplus to operating cash flows

	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
Operating surplus	8,636	7,718	7,740	7,068
Bad debt provision (release)/charge	(34)	13	(55)	(2)
Housing properties depreciation	3,639	3,587	3,639	3,587
Other fixed asset depreciation	412	422	397	404
Decrease/(increase) in stock	24	811	(5)	827
(Increase)/decrease in debtors	(956)	(388)	(1,238)	180
Increase/(decrease) in creditors	7	490	1,158	(470)
	<hr/>	<hr/>	<hr/>	<hr/>
	11,728	12,653	11,636	11,594
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

18. Cashflow (cont.)

(ii) Reconciliation of net cash flow to increase in net debt

	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
(Decrease)/increase in cash in the year	(1,150)	9,156	(1,449)	9,512
Decrease/(increase) in debt	30	(16,472)	-	(16,500)
Change in debt resulting from cash flow	<u>(1,120)</u>	<u>(7,316)</u>	<u>(1,449)</u>	<u>(6,988)</u>
Net debt at 1 April 2014	(153,698)	(146,382)	(153,022)	(146,034)
Movement in net debt in the year	(1,120)	(7,316)	(1,449)	(6,988)
Net debt at 31 March 2015	<u>(154,818)</u>	<u>(153,698)</u>	<u>(154,471)</u>	<u>(153,022)</u>

(iii) Analysis of changes in net debt (Group)

	2014 £ 000's	Cashflow £ 000's	2015 £ 000's
Cash and short term deposits	12,155	(1,150)	11,005
Debt due within one year	(29)	(101)	(130)
Debt due after one year	(165,824)	131	(165,693)
	<u>(153,698)</u>	<u>(1,120)</u>	<u>(154,818)</u>

19. Capital and other commitments and future Group funding

	Group 2015 £ 000's	Group 2014 £ 000's	Association 2015 £ 000's	Association 2014 £ 000's
Contracts placed for future capital expenditure not provided in the financial statements	1,608	10,689	1,608	10,689
Capital expenditure authorised but not contracted	-	-	-	-

Grant funding is agreed for social and mid rent housing projects where contracts have been placed. The balance of expenditure on the projects is forecast to be funded from loan finance. The Board has considered the availability of loan finance and is satisfied that sufficient loan funding will be made available from the facilities and funding described in note 13.



NOTES TO THE FINANCIAL STATEMENTS

20. Contingent liabilities

The Board of Management was not aware of any contingent liabilities as at 31 March 2015 (2014: £Nil) other than pension matters as disclosed in note 23 and none have emerged since.

21. Legislative provisions

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 (Registration No. 1823R(S)), is registered by the Financial Conduct Authority and is registered with the Scottish Housing Regulator (Registration No. HAL 116). The Association is recognised by the Office of the Scottish Charity Regulator as a Scottish Charity (Scottish Charity No. SC034572).

22. Subsidiaries

The Association has one subsidiary.

Dunedin Canmore Enterprise Limited provides staff and services to Dunedin Canmore Housing as well as others in respect of development, financial services, housing management and maintenance. This includes the directors' services and further information is available in the Dunedin Canmore Enterprise Limited financial statements.

During the year the Association charged £418,902 (2014: £310,144) in facilities fees to Dunedin Canmore Enterprise Limited and £524,520 (2014: £524,520) in loan interest on the intercompany loan of £9,500,000 (2014: £9,500,000). During the year the Association charged £1,380,948 (2014: £1,202,805) in rent to Dunedin Canmore Enterprise Limited for 350 properties (2014: 310) leased on for mid-rent purposes and £52,000 (2014: £52,000) in rent for use of its workshop. The Board is satisfied that the properties have been leased on commercial terms.

During the year Dunedin Canmore Enterprise Limited charged the Association £4,904,450 (2014: £4,576,638) in management fees and £5,494,505 (2014: £5,643,503) for repair services from its workshop. During the year the Association received a charitable donation of £129,000 (2014: £260,000) from Dunedin Canmore Enterprise Limited.

The Association's loan to Dunedin Canmore Enterprise Limited of £9,500,000 is secured over the subsidiary's properties. The loan is repayable by instalments of principal and interest. Interest is accrued on a daily charge basis at an average rate of 5.5% (2014: 5.5%) for the year.

Related parties:

James Walker serves on the Dunedin Canmore Enterprise Board and is now retired. He is a member of the Merchant Company of Edinburgh, where he was formerly a Court Assistant and sits on the Frail and Elderly Committee. During the year Dunedin Canmore Housing built for and sold to the Merchant Company of Edinburgh a development at Little Road, Edinburgh.

23. Pensions

SHAPS Scheme

Dunedin Canmore Enterprise Limited participates in the Scottish Housing Associations' Pension Scheme (the '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 an individual participating employer as the Scheme is a multi-employer arrangement where the scheme assets are co-mingled for investment purposes, benefits are paid from total scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

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

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

The Scheme actuary has prepared an actuarial report that provides an approximate update on the funding position of the Scheme as at 30 September 2014. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the deficit to £281 million from £272 million the previous year, equivalent to a past service funding level of 66% (30 September 2013: 63%).

The Scheme offers six benefit structures to employers, namely:

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

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. The defined contribution option can be introduced by the employer on the first day of any month after giving a minimum of three months prior notice. Dunedin Canmore Enterprise Limited has decided to operate the final salary with a 1/60th accrual rate or career average revalued earnings with a 1/60th accrual rate benefit structure for active members as at 31 March 2011 and the career average revalued earnings with a 1/70th accrual rate benefit structure for new entrants from 1 April 2011. From 1 April 2014 all staff in the defined benefit options were transferred into the defined contribution section of the pension scheme.

NOTES TO THE FINANCIAL STATEMENTS

23. Pensions (cont.)

During the year Dunedin Canmore Enterprise Limited paid contributions at the rate of 2% to 8% of pensionable salaries. Member contributions varied. As at the balance sheet date there were 116 active members of the Scheme employed by Dunedin Canmore Enterprise Limited. Dunedin Canmore Enterprise Limited continues to offer membership of the Scheme to its employees.

The key valuation assumptions used to determine the assets and liabilities of the Scheme are:

- Investment return pre-retirement	5.3%
- Investment return post retirement (non-pensioners)	3.4%
- Investment return post retirement (pensioners)	3.4%
- Rate of salary increases	4.1%
- Rate of pension increases:	
Pension accrued pre 6 April 2005 in excess of GMP	2.0%
Pension accrued from 6 April 2005	1.7%
(for leavers before 1 October 1993 pension increases are 5.0%)	
- Rate of price inflation	2.6%

Mortality tables:

Non pensioners	44% of S1PMA (males) and S1PFA (females) projected using CMI_2011 with a long term improvement of 1.50% p.a. for males and 1.25% p.a. for females.
Pensioners	90% of S1PMA (males) and S1PFA (females) projected using CMI_2011 with a long term improvement of 1.50% p.a. for males and 1.25% p.a. for females.

Contribution rates for future service (payable from 1 April 2014):

Final salary 1/60ths	24.6%
Career average revalued earnings 1/60ths	22.4%
Career average revalued earnings 1/70ths	19.2%
Career average revalued earnings 1/80ths	16.9%
Career average revalued earnings 1/120ths	11.4%

Additional deficit contributions are payable from 1 April 2014 and will increase by 3% per annum each 1 April thereafter. Technical provisions liabilities as at 30 September 2012 will be used as the reference point for calculating the additional contributions.

Contingent Liability

The net present value of the index linked deficit reduction payment is calculated at £7,423,772.

Dunedin Canmore Enterprise Limited continues to provide membership of the Scheme and therefore crystallisation of the buy-out debt is remote. No provision for the buy-out debt is therefore required.

Pension Trust's Growth Plan

Dunedin Canmore Enterprise Limited also participates in the Pension Trust's Growth Plan as an Additional Voluntary Contribution (AVC) vehicle for employees. The Growth Plan is a multiemployer pension Plan where it is not possible to separately identify the assets and liabilities of the participating employers. The Growth Plan is in most respects a money purchase arrangement but it has some guarantees. Contributions paid into the Growth Plan up to and including September 2001 were converted to defined benefit amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by purchase of an annuity.

The rules of the Growth Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient funds to meet its past service liabilities, known as the Technical Provisions.

The funding position of the Growth Plan at 30 September 2011 revealed a deficit of £147.6m. The results of the triennial valuation have confirmed the requirement for additional contributions to the Growth Plan from 1 April 2013. The additional contributions required from Dunedin Canmore Enterprise Limited for the year from 1 April 2015 will be £370.98 per annum.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up. The amount of the potential debt can be volatile over time. As Dunedin Canmore Enterprise Limited continues to offer membership of the Growth Plan to employees it therefore regards crystallisation of the buy-out debt as remote. No provision for the buy-out debt is therefore required.

Friends Life

On 1 May 2014 Dunedin Canmore Enterprise Limited was required, under pension legislation, to auto enrol the remaining staff into a pension scheme. This was accomplished by establishing an auto enrolment scheme with Friends Life. The scheme uses the auto enrolment minimum contributions with Dunedin Canmore Enterprise Limited's maximum contributions capped at 8%.

24. Post balance sheet events

On 6 June 2015 the share members of the Association voted to change the Rules to allow Wheatley Housing Group Limited to become its parent. On the same day the share members of our subsidiary, Dunedin Canmore Enterprise Limited, voted to do the same. The Rules of both associations have been registered by the Financial Conduct Authority and both became formal subsidiaries of Wheatley Housing Group Limited on 30 June 2015.



NOTES TO THE FINANCIAL STATEMENTS

25. Information required under Determination of Accounting Requirements April 2012

Association: particulars of turnover, operating costs and operating surplus/(deficit)

	Turnover 2015 £ 000's	Operating Costs 2015 £ 000's	Operating Surplus/ (deficit) 2015 £ 000's	Operating Surplus 2014 £ 000's
Social lettings	25,270	17,093	8,177	7,130
Other activities	4,168	4,605	(437)	(62)
Total	29,438	21,698	7,740	7,068
Total 2014	25,574	18,506	7,068	

Association: particulars of turnover, operating costs and operating surplus/(deficit) from social letting activities

	General Needs £ 000's	Supported Housing £ 000's	Shared Ownership £ 000's	Hostel £ 000's	2015 Total £ 000's	2014 Total £ 000's
Turnover						
Rent receivable net of service charges	22,347	–	–	537	22,884	21,845
Service charges	1,324	355	115	148	1,942	1,823
Gross income from rents and service charges	23,671	355	115	685	24,826	23,668
Less voids	201	–	–	44	245	294
Net income from rents and service charges	23,470	355	115	641	24,581	23,374
Grants from the Scottish Ministers	–	136	–	424	560	566
Other revenue grants	129	–	–	–	129	260
Total turnover from social letting activities	23,599	491	115	1,065	25,270	24,200
Operating costs						
Management and maintenance administration costs	5,875	84	115	800	6,874	6,809
Service costs	1,324	356	–	148	1,828	1,702
Planned and cyclical maintenance including major repairs costs	2,318	3	–	45	2,366	2,343
Reactive maintenance costs	2,209	4	–	21	2,234	2,187
Bad debts – rents and service charges	188	–	–	–	188	146
Depreciation of social housing	3,603	–	–	–	3,603	3,883
Impairment of social housing	–	–	–	–	–	–
Operating costs for social letting activities	15,517	447	115	1,014	17,093	17,070
Operating surplus for social lettings	8,082	44	–	51	8,177	7,130
2014 Operating surplus/(deficit) for social lettings	6,999	48	–	83	7,130	

The Association does not split rental income by general needs/supported housing/shared ownership and all costs have been allocated to general needs.

NOTES TO THE FINANCIAL STATEMENTS

25. Information required under Determination of Accounting Requirements April 2012

Association: particulars of turnover, operating costs and operating surplus or deficit from other activities

	Grants from Scottish Ministers £ 000's	Other income £ 000's	Total turnover £ 000's	Other operating costs £ 000's	Operating surplus/ (deficit) 15 £ 000's	Operating surplus/ (deficit) 14 £ 000's
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	174	144	318	921	(603)	(437)
Care and repair of properties	-	-	-	-	-	-
Factoring	-	62	62	62	-	-
Development and construction of property activities	-	1	1	-	1	114
Support activities	-	-	-	-	-	-
Care activities	-	-	-	-	-	-
Agency/management services for registered social landlords	-	-	-	-	-	-
Other agency/management services	-	-	-	-	-	-
Developments for sale to registered social landlords	-	-	-	-	-	-
Developments and improvements for sale to non registered social landlords	-	3,599	3,599	3,599	-	-
Other activities	-	188	188	23	165	261
Total from other activities	174	3,994	4,168	4,605	(437)	(62)
2014 total from other activities	279	1,095	1,374	1,436	(62)	



BOARD MEMBER PROFILES



Jill Anderson

Jill sits on the Dunedin Canmore Housing Board and is an experienced Chartered Accountant (private and public sectors) with strong skills in risk management, governance, project management, business management, communication and team motivation. She has a strong aptitude for supporting organisations through analysing business aims, objectives and processes, identifying issues, recommending improvements and facilitating change.



Karen Campbell

Karen sits on the Dunedin Canmore Enterprise Board. She has sat on the CIH Board, undertaken a secondment to the Scottish Government and sits on various task groups to promote the health of the home building industry. She has experience working within a local authority and working closely with the private sector through her role at Homes for Scotland.



Sandy Elder

Sandy sits on the Dunedin Canmore Enterprise Board. Whilst at the Abbey National Building Society he was involved with all aspects of investment and mortgage administration and looked after the building finance accounts of some of the major house builders. When Abbey converted into a bank he left to pursue a self-employed career in financial services initially as a tied agent. He then became an Independent Financial Adviser building up his client base which he subsequently sold upon his retirement in October 2010.



John Fletcher

John serves on both the Dunedin Canmore Housing and the Dunedin Canmore Enterprise Boards and is a past Chair of Dunedin Canmore Enterprise. He is Chair of the Group Audit Committee.



Surbhi Gosain

Surbhi serves on the Dunedin Canmore Housing Board and is an experienced HR Professional with fifteen years of experience of working in operations, before moving into HR. She has the ability to understand and proactively translate business issues into HR solutions to ensure HR strategy supports the overall organisational values and goals.

BOARD MEMBER PROFILES



Gillian Grey

Gill sits on the Dunedin Canmore Enterprise Board and is a self-motivated, articulate professional with a proven track record at senior level in sales, marketing, public relations and business development. She describes herself as a discreet, loyal and extremely trustworthy individual with an excellent range of contacts. A respected leader, approachable and capable of working well under pressure, she is an excellent communicator at all levels, creative and passionate about detail and high standards.



Jane Green

Jane sits on the Dunedin Canmore Housing Board. She was a lawyer in private practice for over 20 years, latterly as a partner in Maclay Murray & Spens for 14 years and head of the employment team. She has advised a broad range of clients, including many social housing providers, on employment and governance issues, spoken at sector events and provided training to managers and board members. Jane served several years on the Board of Royal Zoological Society Scotland, and currently sits on the Board of The Yard, the play centre for children with disabilities.



Terry Kirby

Terry sits on the Dunedin Canmore Housing Board. Terry's background is in sales and marketing where he held senior positions in household named national companies. He has also set up and run his own companies in the commercial and hospitality industry sectors. He is now retired, but active within the community and is a member of the Wharton Square Residents' Group, a member of BEEM Regional Tenant organisation and is Chair of Edinburgh RSL Residents Network.



Susan Laing

Susan is Chair of the Dunedin Canmore Enterprise Board and is head of the Centre for Entrepreneurship at Napier University. Her other directorships include Director of Wrapturous Ltd, Other Office Limited and Engineeraid. Her specialisms are innovation/creativity in business planning and marketing.



Thomas Mitchell

Tom is Chair of the Dunedin Canmore Housing Board and is a chartered accountant. His specialisms include governance, risk and financial management and control in regulated sectors, principally in housing and charities, gained as an auditor as well as his experience as a Chartered Accountant. Tom is a member of the Institute of Chartered Accountants technical committee on Charities. His other directorships include trustee of Royal Zoological Society Scotland and he is a board member of the Homes for Life Housing Partnership. He is a past Chair of the Group Audit Committee.



BOARD MEMBER PROFILES



Mary Mulligan

Mary serves on the Dunedin Canmore Housing Board and is a former MSP. For almost 25 years she has taken an interest in, and played a part in, developing housing policy. She has worked in both the public and private sectors and has built good working relationships with partners in all sectors, including the voluntary sector. Apart from her housing experience she brings the following skills to the Board: Governance, Strategic View and Flexibility.



Peter Nussey

Peter serves on the Dunedin Canmore Enterprise Board and provides HR and commercial management advice.



Russell Ogg

Russell serves on the Dunedin Canmore Enterprise Board. He is Managing Director of Energy With Ltd. He created Energy With Ltd to operate as a managing agent working between utility companies and partners including contractors, insulation material suppliers and housing providers to bring funding to projects. His company ensures works are compliant against the rules in place for energy efficiency programs discharged by electricity and gas companies and work to secure best value for their project partners. Prior to this he was with Scottish and Southern Energy. In his time there he held a variety of roles in energy efficiency including managing the team in Scotland, Head of CESP Obligation and latterly Head of Insulation Services.



Douglas Paterson

Douglas serves on the Dunedin Canmore Enterprise Board and is a Fellow Member of the Chartered Association of Certified Accountants. He has 40 years' experience as a Partner, Chairman and Non-Executive Financial Director. He has a full understanding of the challenges faced in running a business. Having retired from public practice in March 2010 he is now ready to use his skills, abilities and excellent business knowledge.



Fraser Pottie

Fraser serves on the Dunedin Canmore Enterprise Board and retired in March 2011 from Pottie Wilson, a company which he established in 1987. Pottie Wilson is a well-known Edinburgh practice specialising in providing Quantity Surveying and Construction Cost services on an extensive range of new-build/refurbishment building projects. He has 40 years' experience in providing quantity surveying and employer's agent services to housing associations, developers and a range of private and commercial clients.

BOARD MEMBER PROFILES



Sheila Scobie

Sheila serves on the Dunedin Canmore Housing Board and works for the Competition and Markets Authority. She managed the transition of the Office of Fair Trading into the Competition and Markets Authority, engaging with key external partners to promote the new competition and consumer landscape. She has also worked for various government departments and agencies.



Yvonne Summers

Yvonne serves on the Dunedin Canmore Housing Board, is its past Chair, and is a civil servant. Her specialisms include governance and regulation having previously worked with Communities Scotland in regulation and inspection.



Dennis Trueland

Dennis serves on the Dunedin Canmore Housing Board and was Chief Executive of Barony Housing Association before he retired in 2010. His work with Barony familiarised him with the range of business and strategic issues facing a housing association in the current climate. It also familiarised him with the role of the voluntary Board, a role which he sees as involving fiscal and financial oversight, understanding and ownership of strategic direction and transparent governance standards, professional support to managers and staff as a 'sounding board' to senior officers, appreciation of the importance of quality standards and the central commitment to protect and provide for the interests of tenants.



Jim Walker

Jim serves on the Dunedin Canmore Enterprise Board and is now retired. He was the Sales Director of Charles Henshaw & Sons Ltd for 15 years. He is a member of the Merchant Company of Edinburgh, where he was formerly a Court Assistant and sits on the Frail and Elderly Committee. He is also a Member of the Governing Council of George Watson's College and Chairman of their Property Committee.



BOARD OF MANAGEMENT, DIRECTORS AND ADVISORS

Board of Management

Jill Anderson (appointed 28 August 2014)
Karen Campbell (resigned 6 February 2015)
John Fletcher
Surbhi Gosain (appointed 26 March 2015)
Jane Green (appointed 28 August 2014)
Gillian Henry (resigned 15 December 2014)
Terence Kirby
Susan Laing (appointed 29 January 2015)
Andrew Leslie (resigned 23 September 2014)
David MacLaren (resigned 23 September 2014)
Thomas Mitchell (Chair)
Mary Mulligan (Vice Chair)
Sheila Scobie (appointed 26 March 2015)
Yvonne Summers
Dennis Trueland (appointed 28 August 2014)

Chief Executive

Ewan Fraser MRICS ACIH

Group Secretary

Roy Walker FCCA

Directors

John Alexander
(Group Services)

Nigel Hicks BSc(Hons) MSc CA
(Finance)

Graeme Russell BA(Hons) FCIH
(Housing Services) (resigned 10 April 2015)

Bankers

Royal Bank of Scotland plc
142-144 Princes Street
Edinburgh EH2 4EQ

Auditor

Baker Tilly UK Audit LLP
First Floor, Quay 2
139 Fountainbridge
Edinburgh EH3 9QG

Solicitors

Gateley (Scotland) LLP
Exchange Tower
19 Canning Street
Edinburgh EH3 8EH

ACH Shoosmiths
2nd floor North, Saltire Court
20 Castle Terrace
Edinburgh EH1 2EN

Aitken Nairn WS
7 Abercromby Place
Edinburgh EH3 6LA

Registered office

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Edinburgh EH14 1RL

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where People Choose to Live



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DUNEDIN CANMORE HOUSING LIMITED

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