

at home with...



**Group Report and
Financial Statements**
For the year ended 31 March 2015

Registered Office:
7 Pitreavie Court
Pitreavie Business Park
Dunfermline
KY11 8UU

Registered No.2476R(S)
Scottish Charity No.SC025647
Scottish Housing Regulator Registered No. HAL295

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Members, Executive and Advisers

Board Members

Maureen Garvie	Chair (appointed 16 September 2014)
Philip Shave	Chair (deceased 26 July 2014)
Lorna Paterson	
Patricia Dickson	
Anila Ahmad	
Colin McNeill	
David Watson	
Stephen Clark	
Roy Walker	
Grant McGowan	(resigned 25 August 2014)
Iain McGhee	(resigned 26 January 2015)
Fiona Hunter	(co-opted 30 March 2015)
Sandra Stock	(co-opted 30 March 2015)
Helen Boath	(co-opted 30 March 2015)

Executive Officers

Nicola Donaldson	Chief Executive (appointed 19 May 2014)
Edward Duguid	Interim Chief Executive (resigned 19 May 2014)
Andrew Clark	Director of Corporate Services and Finance
Susan Bramley	Interim Corporate Services Director (appointed 3 March 2014 - resigned 19 January 2015)
Thomas Hainey	Asset Management Director (resigned 17 October 2014)
Craig Stirrat	Housing Services Director (resigned 29 May 2014)
John Stanforth	Interim Housing Services Director (appointed 3 June 2014 – resigned 1 December 2014)
Susan Bramley	Interim Director of Asset Management (appointed 19 January 2015 – resigned 25 May 2015)
Susan Bramley	Interim Director of Housing (appointed 25 May 2015 – resigned 31 July 2015) Director of Housing (appointed 10 August 2015)
Kevin Lynch	Director of Asset and Commercial Business (appointed 25 May 2015)

Secretary

Andrew Clark	(resigned 3 April 2014 - re-appointed 19 January 2015)
Susan Bramley	(appointed 3 April 2014 - resigned 19 January 2015)

Auditor	Findlay & Company, 11 Dudhope Terrace, Dundee, DD3 6TS
Bankers	Bank of Scotland, 38 St Andrews Square, Edinburgh, EH2 2YR
Solicitors	Harper Macleod, The Ca'd'ora, 45 Gordon Street, Glasgow G1 3PE Morton Fraser, Quartermile Two, 2 Lister Square Edinburgh, EH3 9GL

Attendance at Board and Committee Meetings

	Board Meeting		Housing Services ²		Corporate Services ²		Asset Management ²		Audit		Emergency Standing ³		Staffing ⁴		PACT Enterprises	
	Possible	Actual	Possible	Actual	Possible	Actual	Possible	Actual	Possible	Actual	Possible	Possible	Actual	Possible	Actual	
Philip Shave	2	2	1	1	1	1	1	1	-	-	3	3	-	-	1	1
Anila Ahmad	9	7	1	1	-	-	-	-	-	-	1	1	2	1	-	-
Stephen Clark	9	6	-	-	-	-	-	-	-	-	1	1	-	-	-	-
Patricia Dickson	9	8	1	1	-	-	1	1	-	-	5	5	2	2	-	-
Maureen Garvie	9	9	-	-	1	1	1	1	-	-	8	6	1	1	-	-
Iain McGhee	8	3	-	-	-	-	-	-	-	-	2	2	-	-	6	6
Grant McGowan	3	1	-	-	-	-	1	0	-	-	-	-	-	-	-	-
Colin McNeill	9	9	1	1	-	-	-	-	3	3	9	9	1	1	-	-
Lorna Paterson	9	9	-	-	-	-	1	1	3	1	9	7	1	1	-	-
Roy Walker	9	6	-	-	-	-	-	-	3	2	1	1	-	-	-	-
David Watson	9	9	-	-	1	1	-	-	3	2	9	9	2	2	-	-
Derek Adam ¹	2	2	-	-	-	-	-	-	3	2	-	-	-	-	7	6
Kate Dewar ¹	2	2	-	-	-	-	-	-	-	-	-	-	-	-	6	5

1 PACT Enterprises Limited Board Member

2 Following a review of governance structures these committees ceased to exist with effect from August 2014

3 Committee renamed as 'Emergency Committee' May 2015

4 Committee renamed as 'Remuneration & Governance' May 2015

Report of the Board of Management

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

Structure, Governance and Management

Fife Housing Association is a charitable registered social landlord which was first registered in June 1996 with Scottish Homes and ownership and management of the properties commenced 29 January 1997. The Association was formed for the benefit of the community. Fife Housing Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society, the Office of the Scottish Charities Regulator (OSCR) as a charity and the Scottish Housing Regulator as a Registered Social Landlord and the new Rules were adopted on 12 January 2015.

The Association has a wholly owned non-charitable trading subsidiary (PACT Enterprises Limited).

Organisational Management

The Board of Management must have a minimum of seven and a maximum (including co-optees) of 15 members.

The Board can co-opt to the Board anyone who is suitable to become a Board Member.

The Board of Management is a strategic body responsible for strategy and performance. During 2014 a review of governance structure took place that aimed to align the committee structure towards key areas of assurance; with the approval of new Standing Orders and Financial Rules in May 2015 there are now five committees and one subsidiary board:

- Audit & Risk Committee
- Emergency Committee
- Remuneration & Governance Committee
- Colleague Committee
- Health & Safety Committee
- PACT Enterprises Limited Board

Members of the committees that met during 2014/15 are listed on Page 2.

Appointment of Trustees

The Board of Management and Executive of the Association are listed on page 1.

Each member of the Board of Management (other than those co-opted) holds one fully paid share of £1.00 in the Association. No financial or other benefit is obtained by being a member of the Board of Management. The Executive officers of the Association hold no interest in the Association's share capital and, although not having the legal status of directors, they act as executives within the authority delegated by the Board.

Anyone over the age of 16 can apply for membership.

Trustee Induction and Training

The Association provides relevant training as required for Board Members, ranging from induction training for new members to specific skills/topics, including attendance at conferences and seminars.

A training needs analysis will be developed for each individual Board Member and these will be updated on a regular basis, including a personal training history and meetings held to discuss future personal development and also specific training requirements. A programme of training will be delivered annually to meet any identified needs as well as to accommodate any legislative changes or current issues which need to be brought to the Board's attention.

A Board Members' Away Day will be arranged annually. This will give the Board an opportunity to review its structure and performance, the skills and experience of its members and, amongst other things any weaknesses, together with the Association's future overall strategy.

Risk Management

The Group has a formal risk management process which assesses business risks and implements risk management strategies, which involves identifying the types of risk the organisation faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying ways of mitigating risk each year. The Board has adopted a risk-based approach to internal controls which is consistent with the Turnbull principles.

The Association has a business continuity and disaster recovery plan in place.

Our approach to effective risk management within Fife Housing Group is one that aims to protect and support achievement of our provision of sustainable, safe homes and services for present and future generations in Fife.

We understand that the very nature of the services that we provide carries inherent risk and we recognise the responsibility that we bear to make future decisions within a risk-based approach. Effective risk management will ensure that we minimise negative impact and make informed decisions on future opportunities.

Our Risk Management Strategy focuses on the introduction of the Fife Housing Group Enterprise Risk Management Framework. Enterprise Risk Management provides a strategic, comprehensive approach to the management of risk that will be cross-cutting across the organisation; a critical driver for continuous improvement of our internal controls and assessment of the impact of achieving our business plan objectives.

Our risk management framework is built around the ISO 31000:2009 Risk Management Principles and Guidelines and splits risks into either 'Strategic' or 'Operational'. The framework will:

- Be integrated into our business planning methodology;
- Magnify the positive, beneficial consequences of risk while acting to reduce the negative, detrimental consequences;
- Apply to strategic, operational, projects and new business initiatives;
- Allow us to better identify organisational risks and opportunities and develop mitigation strategies; and
- Include a strong assurance focus that supports the Board of Management and Audit & Risk Committee in fulfilling their roles.

Objectives and Activities

The vision of Fife Housing Association is “Getting the basics right”.

The Association was formed for the benefit of the community and its objectives are to carry on for the benefit of the community:

- The business of providing housing, accommodation, and assistance to help house people and associated families, and providing associated facilities and amenities for people on low incomes, and providing for the relief of the elderly, disabled, handicapped (whether physically or with a learning disability), or chronically sick people and as a means of achieving these objects;
- To provide, build and improve and manage housing and associated facilities specially designed or adapted for such people who are on low incomes, elderly, sick or who have a physical or learning disability;
- To provide or arrange home maintenance, repair and improvement services for such people who are on low incomes, elderly, sick or who have a physical or learning disability;
- To carry out any activity allowed under Section 24 of the Housing (Scotland) Act 2010 which is charitable;
- To provide land and buildings to meet the needs of such people who are on low incomes, elderly, sick or who have a physical or learning disability;
- To provide facilities and services for the benefit of such people either exclusively for them or together with other persons; and
- The Association is a non-surplus-distributing organisation.

Aims and Intended Impact

The Group's aims are to make the business stronger; to help people and communities flourish.

Our Underpinning Values

- Accountable – take personal responsibility;
- Firm but fair – treat everyone fairly;
- Open and honest – be transparent in all that we do;
- Versatile - be flexible and creative in our approach.

Our Strategic Objectives

- To deliver our Business Change Programme;
- To be tenant and customer focused;
- To protect and maximise our assets and finances;
- To support colleague development.

Our Future Plans

- Continuous Improvement – we will be rigorous and systematic in our approach to managing our performance and we will plan and manage our work to achieve improvements in our service delivery;
- Review Terms and Conditions – we will review and revise our terms and conditions so that our remuneration and benefits package provides a competitive package in our market;

- Review our organisational structure – we will review our organisational structure to ensure we are able to provide an efficient and effective service to tenants and customers;
- Office Integration – we will bring all our colleagues together, working from our office in Dunfermline. The action plan is well-underway to deliver on this objective;
- Rebranding – we have launched our new brand so that it now reflects a positive, forward-looking and responsible social landlord;
- Website development – we will develop the website so that it provides a better service for tenants and customers and information for our stakeholders;
- We will seek to improve tenant and customer engagement and satisfaction across all areas;
- We will seek to understand our tenants' and customers' needs and aspirations;
- We will develop our tenant and customer engagement and participation strategy;
- We will deliver tenant and customer focused services;
- We will support our Scrutiny Panel's development and engage with interested residents;
- We will create financial capacity;
- We will invest in our properties;
- We will deliver on our Value for Money Strategy in all that we do;
- We will expand our property portfolio;
- We will continue to expand our subsidiary, PACT Enterprises;
- We will invest in developing all of our colleagues;
- We will achieve Investor In People (IIP) Gold accreditation by 2018.

Strategies to achieve the year's objectives

A Residents' Scrutiny Panel has been formed. It has received external support so that it can facilitate Fife Housing Group's efforts to increase tenant participation and become more customer focused.

The Association has received grant funding for a Flexible Support project. The project is intended to increase the Association's awareness of those on housing benefit and the requirements the household require with the aim of helping these households to improve their tenancy sustainability.

Fife Housing Association is an active participant in the Fife Housing Partnership and will deliver quality housing solutions as well as provide input into the Local Housing Strategy to help achieve healthy, balanced and sustainable communities. As part of the Scottish Housing Investment Partnership (the SHIP) the Association will complete its commitment to help redevelop Abbeyview in Dunfermline through the grant funded Abbeyview Phase 5 project to construct 33 properties scheduled for completion in October this year. Crombie Phase 2 is earmarked to receive grant funding this year subject to a satisfactory financial appraisal.

Following the restructuring of our Business Leadership Team we have commenced work on a new business plan to take the organisation forward and ensure that our objectives are delivered. As part of this we are developing a new Asset Management Strategy which will be informed by an externally-commissioned full Stock Condition Survey which is currently underway. This work will enable us to better plan and engage with tenants regarding future improvements to their homes.

The Association continues to work in partnership with Fife Council and the other indigenous housing associations to operate the Fife Housing Register and the related Joint Allocations Policy.

The Association is a member of the Fife Housing Alliance. As part of this grouping we part fund a Wider Action post and work with a range of voluntary sector and statutory sector partners to deliver specialist services.

The Association will continue to examine ways in which it can expand its activities through its subsidiary company, PACT Enterprises. When the opportunities present themselves, PACT will consider acquiring further property investments for market rent, property development for sale or investment and providing property management services.

Achievements and Performance

The Group had a number of successes in 2014-15:

- ✓ Achieved a high level of Board member commitment and competency whilst also continuing with our adoption of new Rules, governance renewal and self-assessment process;
- ✓ Improved our regulatory relationship through delivery of process improvements and an emphasis on continuous improvement;
- ✓ Carried out a £2m programme of planned maintenance and major component renewals within our properties, including: new doors and windows, re-rendering and roofing in Rosyth, heating replacements, new kitchens and painterwork.
- ✓ Carried out a significant development at Abbeyview in Dunfermline with Persimmon Homes which was visited by Margaret Burgess, Minister for Housing and Welfare and where 36 properties were handed over in the summer of 2014; work on the remaining phase of the Abbeyview development is underway and will be completed by October 2015 resulting in a further 33 properties being added to our portfolio.
- ✓ Our maintenance team provided reactive and void repair services to two independent organisations: Ore Valley Housing Association (OVHA) and Scottish Veterans' Garden City Association on the basis of a formal Service Sharing Agreement providing these organisations with a full range of technical services;
- ✓ PACT has developed plans to acquire further properties to be let at market rent – three properties were acquired in Rosyth during the year and at the date of signing a further property in Rosyth had been purchased. We continue to seek further suitable acquisitions for this portfolio;
- ✓ We implemented a new asset management system which will improve our focus on stock condition and effectively plan our major component replacement programme.
- ✓ Recruited a new Chief Executive, Nicki Donaldson, who took up this key post on 19 May 2014.

Financial Review – Fife Housing Group

The Board is satisfied with the Group's performance during the year. The Group has generated a surplus of £531,898 (2014 - surplus of £514,379).

Turnover increased by £613,700 and operating costs by £653,476. The operating surplus decreased from £2,957,817 in 2014 to £2,918,041 in 2015.

The total surplus recognised in the Statement of Total Recognised Surpluses and Deficits is £516,430 in 2014 there was a deficit of £110,346. Details of the movements are set out in page 16.

The surplus for the year has been taken to revenue reserves. The Group's net assets are now £7,715,013 (2014 - £7,198,588).

Going Concern

After reviewing the detailed Income and Expenditure and Business Plan projections and the revised terms and facility available from the bank and making such further enquiries as they consider appropriate, the Board of Management is satisfied that the Association has adequate resources to continue to operate for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Asset Value

A valuation of the Association's housing properties was carried out by Jones Lang LaSalle at 31 March 2015. The value of the properties, on an existing use basis (Social Housing) (EUV-SH) was £67.0m (2014 - £62.7m) and the carrying value of our stock after component accounting was applied was £42.7m (2014 - £41.3m).

Impairment Review

The impairment review carried out at 31 March 2015 showed that the value in use of the properties exceeded the carrying value of the properties in the balance sheet therefore no impairment adjustment was required.

Rental Income

The Association applied a rent increase of 3% on 1 April 2015. Our gross rental income increased from £9,817,848 to £10,307,462. There has been an increase in void rent loss from £135,944 to £207,743.

£131,077 of bad debts was written off by the Association this year however after a review of the rent arrears the bad debt provision has been increased by £160,000 to £550,000.

Right to Buy House Sales

The Association has charitable status and only those tenants with the preserved right to buy (i.e. those tenants who transferred from Scottish Homes) can exercise this right. In the twelve months to 31 March 2015 eight tenants exercised their right to buy and the Association received £176,763 net of selling costs.

Void Sales

There have been no sales of void property during the year.

Pension Fund

The Association operates a defined benefit pension scheme which is open to all its permanent colleagues. In common with most employers adopting Financial Reporting Standard 17 - Retirement Benefits, the scheme has produced a funding deficit. This deficit has increased from £3,327,000 at 31 March 2014 to £3,444,000 at 31 March 2015. Full details have been provided in Note 24.

Policy on Payment of Creditors

The Association agrees payment terms in advance of any commitment being entered into with suppliers or sub-contractors and makes payment in accordance with its obligations.

Charitable Donations

During the year the Association made charitable donations totalling £0 (2014 - £1,115). The Association did not make any donations to a political party.

Post Balance Sheet Events

There have been no important events since the financial year end that have had an impact on the financial position of the Association.

Reserves Policy

The Association has no designated reserves.

Treasury Management

The Association operates in accordance with its Treasury Management Policy to ensure effective use of the organisation's cash flows and borrowings, and the effective control of the risks associated with these activities. The Association's objective is to ensure it has appropriate funding facilities to enable it at all times to have the level of funds necessary for the achievement of its business / service objectives. It will hold its surplus funds in cash or short-term deposits such as a high interest bearing account or a term deposit.

Derivatives

The Association is not permitted to enter into speculative transactions with financial instruments. The Association follows the guidance set out by the Scottish Housing Regulator. Any financial instrument entered into by the Association is covered by an underlying loan.

As part of its Treasury Management Policy the Association uses financial derivatives to achieve interest rate certainty.

At 31 March 2015 the Association had four interest-rate-SWAPs as follows:

- A 25 year fixed interest rate SWAP from August 2007 for £10m until August 2010 increasing to £20m from August 2010 at 6.936%;
- A 25 year fixed interest rate SWAP from August 2007 for £5m at 4.49% with a 12 month non call period and thereafter the counter-party has the right to terminate the SWAP at three-monthly intervals;
- The Association entered into a 25 year Inflation-Linked SWAP from 29 January 2010, at RPI + 1.19%. If RPI is in excess of 5% interest is limited to 5% + 1.19% with an RPI floor set at 0% and a cap at 5%;

- A 20 year fixed interest rate SWAP from 31 January 2013 for £5m at 4.96% with a 24 month non-call period and thereafter the counter-party has the right to terminate the SWAP at three-monthly intervals.

Colleagues

The Association promotes equality and diversity for all and aims to eliminate unlawful discrimination in all areas of its work and carries out recruitment in line with the Equality Act.

The Association recognises that it is the quality and commitment of its colleagues that allows it to meet its objectives and meet its commitments to tenants and other stakeholders in an efficient and effective manner.

The Association has successfully retained its Investor in People status. The award demonstrates the Association's commitment to training and development for colleagues.

During the year we embarked on an ambitious management development programme to ensure that our managers are equipped with the skills and tools required to deliver an excellent service.

Colleague Involvement

The Association encourages colleague involvement in all initiatives and holds colleague-meetings quarterly, as well as holding regular team talkbacks to inform colleagues of matters affecting them and the Association.

The Association holds an annual colleagues' conference where topical initiatives are discussed. Regular one to one meetings have been introduced for all colleagues as this is seen as the most effective way of improving and maintaining performance.

Health and Safety

The Association is aware of its responsibilities on Health & Safety matters and has a comprehensive management system and policy in place. Colleagues are provided with instruction, training and supervision to secure health and safety.

Statement of Board of Management's Responsibilities

Housing Association legislation requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for the period ended on that date. In preparing those financial statements the Board of Management is required to:

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

In so far as the Board of Management is aware:

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

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Association and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2012 and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2010.

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. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. The Board has adopted a risk based approach to internal controls and is consistent with Turnbull principles. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. Key elements include ensuring that:

- Management responsibility has been clearly defined for the identification, evaluation and control of significant risks;

Statement of Board of Management's Responsibilities (cont.)

- 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 prohibit the unauthorised use of the Association's assets;
- Experienced and suitably qualified and trained colleagues take responsibility for important business functions and have been provided with comprehensive guidance on the standards to be applied throughout the Association. Development reviews have been established on at least an annual basis and are designed to assist colleagues to achieve their potential whilst assisting the organisation to achieve its objectives;
- 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 comparing actual results against budget are prepared promptly and presented to the Board of Management to provide relevant reliable and up-to-date financial information. Significant variances from budget are investigated as appropriate. The Board also regularly reviews key performance indicators to assess progress towards the achievement of objectives, targets and outcomes; and
- 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 Audit and Risk Committee reviews reports from the external auditors, the internal auditors and from management, to provide reasonable assurance that control procedures are in place and are being followed. The Audit and Risk Committee also receives progress reports on areas where the external auditors have commented and ensure that action is taken where considered appropriate.

Acting on behalf of the Board of Management, the Audit and Risk 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 31 August 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 auditors' report on the financial statements.

Auditors

A resolution to appoint the auditors, Baker Tilly UK Audit LLP will be proposed at the Annual General Meeting.

By order of the Board



Andrew Clark
Secretary

31 August 2015



Independent Auditor's Report to the Members of Fife Housing Association Limited

We have audited the financial statements of Fife Housing Association Limited for the year ended 31 March 2015 which comprise Group and Association Income and Expenditure Account, the Group and Association Balance Sheet, the Group and Association Cash flow Statement, the Group and Association Statement of Total Recognised Gains and Losses and the related notes. 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 Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board and the Auditor

As explained more fully in the Statement of Board of Management's Responsibilities set out on pages 11 -12, the board is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

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

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and association's affairs as at 31 March 2015 and of the group's and association's income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010, and the Determination of Accounting Requirements 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 require us to report to you if, in our opinion:

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

Joan Williamson

Joan Williamson, CA (Senior Statutory Auditor)

For and on behalf of
Findlay & Company
Chartered Accountants & Statutory Auditors
11 Dudhope Terrace
Dundee
DD3 6TS

31 August 2015



Report by the Auditor on corporate governance matters

In addition to our audit of the financial statements, we have reviewed your statement on pages 11 and 12 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator.

Basis of opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on pages 11 and 12 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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

Joan Williamson

Joan Williamson, CA (Senior Statutory Auditor)

For and on behalf of
Findlay & Company
Chartered Accountants & Statutory Auditors
11 Dudhope Terrace
Dundee
DD3 6TS

31 August 2015

Financial Statements:

Group Income and Expenditure Account for the year ended 31 March 2015

		2015	2014
	Note	£	£
Turnover	2a	10,825,222	10,211,522
Less: Operating costs		7,907,181	7,253,705
Operating surplus	7	2,918,041	2,957,817
Gain on realisation of assets	12	178,069	72,078
Interest receivable and other income	9	14,971	18,873
Interest payable and similar charges	8	(2,575,051)	(2,468,753)
Net return on pension assets	24	12,000	(63,000)
Surplus on ordinary activities before taxation		548,030	517,015
Tax on surplus on ordinary activities	10a	(16,132)	(2,636)
Surplus for the year		531,898	514,379

The Group's turnover and expenses for the period relate wholly to continuing activities.

The notes on pages 24 to 49 form part of these financial statements.

Group Statement of Total Recognised Surpluses and Deficits for the year ended 31 March 2015

		2015	2014
	Note	£	£
Surplus for the year		531,898	514,379
Unrealised surplus/(deficit) on revaluation of housing properties	26	23,532	(106,725)
Deferred tax		-	-
Unrealised surplus/(deficit) on investments		-	-
Actual return less expected return on pension scheme assets	24	442,000	128,000
Effect of changes in the actuarial assumptions	24	(481,000)	(646,000)
Total recognised surplus/(deficit) for the year		516,430	(110,346)
Prior year adjustment		-	-
Total surplus/(deficit) recognised for the year		516,430	(110,346)

Association Income and Expenditure Account for the year ended 31 March 2015

		2015	2014
	Note	£	£
Turnover	2b	10,579,331	10,048,233
Less: Operating costs		7,853,192	7,167,754
Operating surplus	7	2,726,139	2,880,479
Gain on realisation of assets	12	178,069	72,078
Interest receivable and other income	9	126,524	115,256
Interest payable and similar charges	8	(2,575,051)	(2,468,753)
Net return on pension assets	24	12,000	(63,000)
Surplus on ordinary activities before taxation		467,681	536,060
Tax on surplus on ordinary activities	10b	-	-
Surplus for the period		467,681	536,060

The Association's turnover and expenses for the period relate wholly to continuing activities.

The notes on pages 24 to 49 form part of these financial statements.

Association Statement of Total Recognised Surpluses and Deficits for the year ended 31 March 2015

		2015	2014
	Note	£	£
Surplus for the year		467,681	536,060
Unrealised surplus/(deficit) on revaluation of housing properties		-	-
Deferred tax		-	-
Unrealised surplus/(deficit) on investments		-	-
Actual return less expected return on pension scheme assets	24	442,000	128,000
Effect of changes in the actuarial assumptions	24	(481,000)	(646,000)
Total recognised surplus for the year		428,681	18,060
Prior year adjustment		-	-
Total surplus recognised for the year		428,681	18,060

Group Balance Sheet as at 31 March 2015

	Note	2015 £	2014 £
Tangible Fixed Assets			
Housing properties - gross cost	11	86,965,035	82,248,114
Less: depreciation		(15,848,989)	(14,209,110)
		71,116,046	68,039,004
Less:			
SHG		(26,134,711)	(24,569,959)
Other public grants		(2,247,361)	(2,195,561)
	11	42,733,974	41,273,484
Other fixed assets	14a	1,594,255	1,620,752
Investments – Shared Equity	13a	-	-
Investment properties	13c	3,111,630	2,463,630
		47,439,859	45,357,866
Current Assets			
Work in progress	15	-	-
Housing stock held for sale	15	576,390	1,004,675
Debtors	16a	893,786	1,067,144
Cash at bank and in hand	17	4,626,803	5,025,125
Debtors : falling due after more than one year	16b	-	12,290
		6,096,979	7,109,234
Creditors: amounts falling due within one year	18	(2,599,458)	(2,163,087)
Net current assets excluding pension liability		3,497,521	4,946,147
Pension liability	24	(3,444,000)	(3,327,000)
Net current assets including pension liability		53,521	1,619,147
Total assets less current liabilities		47,493,380	46,977,013
Debtors: falling due after more than one year			
Creditors: falling due after more than one year	19	(39,777,388)	(39,777,388)
Provisions for liabilities and charges	20	(979)	(1,037)
Net assets		7,715,013	7,198,588
Capital and Reserves			
Share capital	21	94	99
Revenue reserve	26	6,709,655	6,216,757
Revaluation reserve	26	1,005,264	981,732
		7,715,013	7,198,588

The financial statements on pages 16 to 49 were approved by the Board of Management on 31 August 2015 and were signed on its behalf by:

Maureen Garvie Chair *Maureen Garvie*
 Roy Walker Audit Committee Convener *Roy A Walker*
 Andrew Clark Secretary *Andrew Clark*

The notes on pages 24 to 49 form part of these financial statements.

Association Balance Sheet as at 31 March 2015

	Note	2015 £	2014 £
Tangible Fixed Assets			
Housing properties - gross cost	11	86,965,035	82,248,114
Less: depreciation		(15,848,989)	(14,209,110)
		71,116,046	68,039,004
Less:			
SHG		(26,134,711)	(24,569,959)
Other public grants		(2,247,361)	(2,195,561)
	11	42,733,974	41,273,484
Other fixed assets	14b	1,589,361	1,615,567
Investments – Shared Equity	13a	-	-
Investments - Subsidiary	13b	1	1
		44,323,336	42,889,052
Current Assets			
Work in progress	15	-	-
Housing stock held for sale	15	-	-
Debtors	16a	1,280,428	1,431,476
Cash at bank and in hand	17	4,518,285	4,950,394
Debtors : falling due after more than one year	16b	3,315,200	3,185,200
		9,113,913	9,567,070
Creditors: amounts falling due within one year	18	(2,566,771)	(2,131,320)
Net current assets excluding pension liability		6,547,142	7,435,750
Pension liability	24	(3,444,000)	(3,327,000)
Net current assets including pension liability		3,103,142	4,108,750
Total assets less current liabilities		47,426,478	46,997,802
Debtors: falling due after more than one year		-	-
Creditors: falling due after more than one year	19	(39,777,388)	(39,777,388)
Net assets		7,649,090	7,220,414
Capital and Reserves			
Share capital	21	94	99
Revenue reserve	26	7,648,996	7,220,315
		7,649,090	7,220,414

The financial statements on pages 16 to 49 were approved by the Board of Management on 31 August 2015 and were signed on its behalf by:

Maureen Garvie Chair *Maureen Garvie*
 Roy Walker Audit Committee Convener *Roy Walker*
 Andrew Clark Secretary *Andrew Clark*

The notes on pages 24 to 49 form part of these financial statements.

Group Cashflow Statement for the year ended 31 March 2015

	Note	2015 £	2014 £
Reconciliation of operating surplus to net cashflow from operating activities		2,894,508	2,957,817
Depreciation charges		1,850,513	1,794,868
Decrease / (increase) in debtors		173,356	1,506,800
(Decrease) / increase in creditors		436,372	(685,219)
Increase / (decrease) in provisions		(3,898)	-
Increase / (decrease) in pension		90,000	95,000
Net cash inflow from operating activities		5,440,851	5,669,266
Cashflow Statement			
Net cash inflow from operating activities		5,440,851	5,669,266
Returns on investments and servicing of finance	A	(2,560,080)	(2,449,880)
Taxation		-	-
Capital expenditure	A	(3,279,089)	(2,132,692)
Management of liquid resources			
Financing	A	(5)	(37,127)
Increase in cash		(398,323)	1,049,567
Reconciliation of net cashflow to movement in net debt			
Increase in cash in the period		(398,323)	1,049,567
Cash used to increase liquid resources		-	335
Change in net debt		-	1,049,902
Net debt at 31 March 2014		(34,752,262)	(35,802,164)
Net debt at 31 March 2015		(35,150,585)	(34,752,262)

Group Cashflow Statement

A. Gross Cashflow

	Note	2015 £	2014 £
Returns on investments and servicing of finance			
Interest received		14,971	18,873
Interest paid		(2,575,051)	(2,468,753)
Total		(2,560,080)	(2,449,880)
Capital expenditure			
Payments to acquire tangible fixed assets	11,14a	(5,205,043)	(3,976,044)
Grants received	11	1,616,552	1,676,235
Receipts from sales of tangible fixed assets		309,402	167,117
Total		(3,279,089)	(2,132,692)
Management of liquid resources			
Financing		-	(37,135)
Issue of ordinary share capital/change in reserves		(5)	8
Total		(5)	(37,127)

B. Analysis of changes in net debt

	At 31 March 2014 £	Cashflow £	Other changes £	At 31 March 2015 £
Cash in hand /at bank	5,025,126	(398,323)	-	4,626,803
Debt due within one year	-	-	-	-
Debt due after one year	(39,777,388)	-	-	(39,777,388)
Current asset investments	-	-	-	-
Total	(34,752,262)	(398,323)	-	(35,150,585)

Association Cashflow Statement for the year ended 31 March 2015

		2015	2014
	Note	£	£
Reconciliation of operating surplus to net cashflow from operating activities		2,726,139	2,880,479
Depreciation charges		1,849,103	1,793,739
Decrease / (increase) in debtors		151,048	1,353,679
(Decrease) / increase in creditors		435,451	(662,695)
Increase / (decrease) in pensions		90,000	95,000
Net cash inflow from operating activities		5,251,741	5,460,202
Cashflow Statement			
Net cash inflow from operating activities		5,251,741	5,460,202
Returns on investments and servicing of finance	A	(2,448,527)	(2,353,497)
Taxation		-	-
Capital expenditure	A	(3,105,318)	(2,068,398)
Management of liquid resources		-	-
Financing	A	(130,005)	(37,127)
increase in cash		(432,109)	1,001,180
Reconciliation of net cashflow to movement in net debt			
Increase in cash in the period		(432,109)	1,001,180
Cash used to increase liquid resources		-	335
Change in net debt		(432,109)	1,001,515
Net debt at 1 April 2014		(34,826,994)	(35,828,509)
Net debt at 31 March 2015		(35,259,103)	(34,826,994)

Association Cashflow Statement

A. Gross Cashflow

		2015	2014
	Note	£	£
Returns on investments and servicing of finance			
Interest received		126,524	115,256
Interest paid		(2,575,051)	(2,468,753)
Total		(2,448,527)	(2,353,497)
Capital expenditure			
Payments to acquire tangible fixed assets	11,14b	(5,031,272)	(3,911,750)
Grants received	11	1,616,552	1,676,235
Receipts from sales of tangible fixed assets	11,12	309,402	167,117
Total		(3,105,318)	(2,068,398)
Management of liquid resources			
Financing		-	(335)
Loan to Subsidiary		(130,000)	(36,800)
Issue / (redemption) of ordinary share capital / change in reserves		(5)	8
Total		(130,005)	(37,127)

B. Analysis of changes in net debt

	As at 31 March 2014	Cashflow	Other Changes	As at 31 March 2015
	£	£	£	£
Cash in hand /at bank	4,950,394	(432,109)	-	4,518,285
Debt due within one year	-	-	-	-
Debt due after one year	(39,777,388)	-	-	(39,777,388)
Current asset investments	-	-	-	-
Total	(34,826,994)	(432,109)	-	(35,259,103)

Notes to the Financial Statements

1. Accounting Policies

Principal Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards, Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2010 and comply with the Determination of Accounting Requirements 2012. The Principal Accounting Policies of the Association are set out below.

For consolidation, the non-charitable subsidiary has been prepared in accordance with the Financial Reporting Standards for Smaller entities (effective April 2008).

Basis of Consolidation

The group accounts consolidate the accounts of Fife Housing Association Limited and its subsidiary company PACT Enterprises Limited. Profits or losses on intra-group transactions and all inter-company debts are eliminated in full.

Basis of Accounting

The Financial statements are prepared on the historical cost basis of accounting.

Turnover

Turnover represents rental income from leasing residential property, fees receivable and revenue grants from Scottish Ministers, Local Authorities and other agencies and proceeds from sale of shared equity properties which are part of the Low Cost Home Ownership Initiative (LIFT).

Loans

Loans are advanced by private lenders, under the terms of individual mortgage deeds in respect of each property.

VAT

The Association is VAT registered and has a group structure however the majority of the Association's income is rental income and is exempt for VAT purposes. Expenditure is shown inclusive of VAT.

Deferred Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of

the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Fixed Assets - Housing Properties

Tangible fixed assets are stated at cost less accumulated depreciation and capital grants. Housing properties classified as under development are stated at cost and not depreciated. Housing properties are transferred to completed properties when they are ready for letting.

Component Accounting

The Statement of Recommended Accounting Practice (SORP) 2010 recognises that housing properties consist of a number of main components with substantially different lives and that each component should be identified and separately depreciated. The SORP states that component accounting must be adopted for accounting periods after 1 April 2011.

A total of nine major components have been identified as follows:

Component	Useful Economic Life
Land	Not applicable
Main Structure	50 years
Roof	40 years
Render	35 years
Doors	30 years
Kitchen	15 years
Bathroom	30 years
Heating	18 years
Windows	30 years
Rewiring	40 years

Land will not be depreciated in accordance with Financial Reporting Standard 15.

The Association commences depreciation from the first period of the financial year following completion of the development or the component replacement contract.

The Stock Transfer Properties were acquired from Scottish Homes in 1997. It has been assumed that the short life value of components were "nil" or fully written down at the date of transfer due to the stock condition and reflected in the transfer price. The only components that were transferred with value were the land and main structure.

All new build stock comprises of the main components identified above. The total capital cost of each new build scheme has been identified using the original purchase costs. The component

capital cost for each property has then been allocated on a percentage apportionment basis of total work costs using an average of costs across all development schemes.

Grants

Where grants of a capital nature have been received towards the cost of developments, the cost of these developments has been reduced by the amount of the grant receivable. It has been assumed that the SHG on developments relates to the acquisition of the land and structure and not the short life components. This amount is shown separately on the balance sheet. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate. Grants are repayable under certain circumstances, primarily following the sale of a property but will normally be restricted to the net proceeds of sale.

Stage 3 Medical Adaptations

Traditionally all 'Stage 3' medical adaptations and the SHG received have been capitalised. It is now the Association's policy to write off the cost and SHG to the income and expenditure account as adaptations tend to relate to a part component replacement rather than a full upgrade.

Fixed Assets – Shared Ownership

Shared Ownership properties are split proportionately between current and fixed assets 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 sales are accounted for in turnover and costs in operating costs in the period in which the sale occurs. Subsequent sales are accounted for in the income and expenditure account in 'gain on realisation of fixed assets'.

Shared Equity LIFT

Shared Equity, Low Cost Home Ownership Initiative for First Time Buyers (LIFT) properties are treated as current assets during construction. When the equity share is purchased the income from sale is included in turnover. The amount funded by grant is shown as a fixed asset investment and the grant received as a deduction from such.

Investment Properties

Investment properties are reflected using a market value basis. In accordance with Statement of Standard Accounting Practice SSAP 19, no depreciation has been charged in respect of investment properties. This policy represents a departure from the requirements of the Companies Act 2006 to provide systematic annual depreciation for fixed assets. However, as these properties are held for investment and not consumption, the Board of Management consider the adoption of this policy appropriate to provide a true and fair view.

Impairment

An impairment review is carried out annually at the balance sheet date with any impairment recognised by a charge to the Income and Expenditure Account in accordance with Financial Reporting Standard (FRS) 15 - Tangible Fixed Assets, when no depreciation charge is made on the grounds that it is immaterial and Financial Reporting Standard (FRS) 11, Impairment of Fixed Assets, if there is some indication that impairment has occurred. An impairment review was carried out and no impairment was noted.

Depreciation - Office Properties

Depreciation is charged at 2% on a straight line basis over the remaining expected useful life of the property.

Depreciation - Other Fixed Assets

The depreciation bases for the other classes of assets are as follows:

Computer software and equipment	20%	Straight line
Furniture, fittings and office equipment	10%	Straight line
White goods supplied to investment properties	20%	Straight line
Vehicles	20%	Straight line

Repairs and Maintenance

Costs for reactive and planned maintenance are charged to the Income and Expenditure Account as they are incurred.

Property improvements are capitalised if they replace a component that has been treated separately for depreciation purposes or if they result in an enhancement of the economic benefits of the property which can occur if the improvement results in:

- an increase in rental income or
- a material reduction in future maintenance costs or
- a significant extension of the life of the property.

Works to existing properties which fail to meet the above criteria are charged to the income and expenditure account.

Pensions

The Association operates a defined benefit pension scheme, the cost of which is written off on an accruals basis. The assets of the scheme are held separately from those of the Association in an independently administered fund. The disclosure in the accounts meets the requirements of Financial Reporting Standard (FRS) 17, Retirement Benefits. It is a requirement that quoted securities are valued at bid price.

Following a Government announcement in 2010 the methodology for calculating future pension increases are to be based on Consumer Price Index (CPI) rather than the Retail Price Index (RPI) which was previously applied.

Operating Leases

Rental applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income and expenditure account on a straight-line basis over the term of the lease.

Research and Development Expenditure

Research and development expenditure is written off in the income and expenditure account in the year in which it is incurred, with the exception of expenditure incurred on individual development projects. Where the recoverability of this development expenditure can be foreseen with reasonable assurance it is capitalised and amortised in line with turnover from the relevant projects.

Going Concern

The financial statements have been prepared on a going concern basis. The Board has assessed the Group and Association's ability to continue as a going concern and after taking into account the financial position of the Association and the impact of any perceived weakness on viability and based on consideration of the results of the annual modelling exercise of the 30-year financial projections and sensitivity analysis, along with the availability of funding at affordable rates of interest, the Board of Management is satisfied that the Association has adequate resources to continue to operate for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

2a. Particulars of turnover, operating costs and operating surplus or deficit - Group

	2014-15			2013-14
	Turnover	Operating Costs	Operating Surplus	Operating Surplus
	£	£	£	£
Social lettings	10,169,794	7,477,642	2,692,152	2,866,330
Other activities	655,428	429,539	225,889	91,487
Total	10,825,222	7,907,181	2,918,041	2,957,817
Total 2013-14	10,211,522	7,253,705	2,957,817	

2b. Particulars of turnover, operating costs and operating surplus or deficit - Association

	2014-15			2013-14
	Turnover	Operating Costs	Operating Surplus	Operating Surplus
	£	£	£	£
Social lettings	10,169,794	7,477,642	2,692,152	2,866,330
Other activities	409,537	375,550	33,987	14,149
Total	10,579,331	7,853,192	2,726,139	2,880,479
Total 2013-14	10,048,233	7,167,754	2,880,479	

3. Particulars of income and expenditure from lettings – Group and Association

	General needs	Shared ownership housing	Total 2015	Total 2014
	£	£	£	£
Rent receivable net of service charges	10,207,785	10,133	10,217,918	9,723,753
Service charges receivable	85,578	3,966	89,544	94,095
Gross income from rents and service charges	10,293,363	14,099	10,307,462	9,817,848
Less rent losses from voids	(207,743)	-	(207,743)	(135,944)
Net income from rents and service charges	10,085,620	14,099	10,099,719	9,681,904
Grants from the Scottish Ministers	70,075	-	70,075	79,959
Other revenue grants	-	-	-	-
Total turnover from social letting activities	10,155,695	14,099	10,169,794	9,761,863
Management and maintenance administration costs	3,017,689	3,574	3,021,263	3,130,633
Past service costs pensions	-	-	-	-
Service costs	91,240	2,852	94,092	84,390
Planned and cyclical maintenance including major repair costs	766,314	-	766,314	413,837
Reactive maintenance costs	1,606,410	2,762	1,609,172	1,456,707
Bad debts – rent and service charges	291,077	-	291,077	154,296
Depreciation of housing properties	1,695,724	-	1,695,724	1,655,670
Impairment of housing properties	-	-	-	-
Operating costs for social letting activities	7,468,454	9,188	7,477,642	6,895,533
Operating surplus from social lettings	2,687,241	4,911	2,692,152	2,866,330
Operating surplus from social lettings for previous year	2,854,130	12,200	2,866,330	
No of units managed by the Association	2,464	5	2,469	2,441

4a. Particulars of turnover, operating costs & operating surplus or deficit from other activities – Group

	2015							2014	
	Grants from Scottish Ministers £	Other revenue grants £	Supporting People income £	Other income £	Total turnover £	Operating costs – bad debts £	Other operating costs £	Operating surplus or (deficit) £	Operating surplus or (deficit) £
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	98,000	-	-	-	98,000	-	112,434	(14,434)	(8,645)
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	37,007	37,007	-	41,407	(4,400)	1,760
Development and construction of property activities	-	-	-	-	-	-	16,072	(16,072)	(17,034)
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Agency/management services for registered social landlords	-	-	-	232,198	232,198	-	194,125	38,073	(18,717)
Other agency/management services - PACT	-	-	-	245,891	245,891	-	53,989	191,902	109,405
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to non-registered social landlords	-	-	-	-	-	-	-	-	-
Sale of LIFT properties	-	-	-	10,834	10,834	-	10,264	570	-
Other activities	-	-	-	15,898	15,898	-	-	15,898	9,587
Other activities- commercial rents	-	-	-	15,600	15,600	-	127	15,473	14,979
Sale of vacant properties	-	-	-	-	-	-	1,121	(1,121)	152
Total from other activities	98,000	-	-	557,428	655,428	-	429,539	225,889	91,487
Total from other activities - previous year	62,700	-	-	386,959	449,659	-	358,172	91,487	

4b. Particulars of turnover, operating costs & operating surplus or deficit from other activities – Association

	2015							2014	
	Grants from Scottish Ministers £	Other revenue grants £	Supporting People income £	Other income £	Total turnover £	Operating costs – bad debts £	Other operating costs £	Operating surplus / (deficit) £	Operating surplus / (deficit) £
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	98,000	-	-	-	98,000	-	112,434	(14,434)	(8,645)
Care and repair of property	-	-	-	-	-	-	41,407	-	-
Factoring	-	-	-	37,007	37,007	-	-	(4,400)	1,760
Development and construction of property activities	-	-	-	-	-	-	16,072	(16,072)	(17,034)
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Agency/management services for registered social landlords	-	-	-	232,198	232,198	-	194,125	38,073	(18,717)
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to non-registered social landlords	-	-	-	-	-	-	-	-	-
Sale of LIFT properties	-	-	-	10,834	10,834	-	10,264	570	-
Other activities	-	-	-	15,898	15,898	-	-	15,898	9,587
Other activities- commercial rents	-	-	-	15,600	15,600	-	127	15,473	14,979
Sale of vacant properties	-	-	-	-	-	-	1,121	(1,121)	32,219
Total from other activities	98,000	-	-	311,537	409,537	-	375,550	33,987	14,149
Total from other activities - previous year	62,700	-	-	223,670	286,370	-	272,221	14,149	

5. Officers' Emoluments (Group and Association)

The aggregate amount of emoluments payable to, or receivable by the officers and former officers of the registered social landlord whose total emoluments are £60,000 or more, excluding employer's pension contributions are:

	2015	2014															
	£	£															
Total emoluments (excluding pension contributions)	68,326	60,921															
The emoluments of the officers (excluding pension contributions) were within the following ranges:																	
<table border="0"> <thead> <tr> <th>£</th> <th>to</th> <th>£</th> <th>2015</th> <th>2014</th> </tr> </thead> <tbody> <tr> <td>60,001</td> <td>to</td> <td>70,000</td> <td>1</td> <td>1</td> </tr> <tr> <td>70,001</td> <td>to</td> <td>80,000</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	£	to	£	2015	2014	60,001	to	70,000	1	1	70,001	to	80,000	-	-		
£	to	£	2015	2014													
60,001	to	70,000	1	1													
70,001	to	80,000	-	-													
The emoluments (excluding pension contributions) of the Chief Executive amounted to :	68,326	26,816															
The pension contributions made by the Association to officers whose total emoluments (excluding pension contributions) are £60,000 or more were:	15,500	13,724															

The Interim Chief Executive, who left on 31 May 2014, was not paid as an employee as the services were provided through an agency.

No members of the Board of Management received any remuneration from the Association.

	2015	2014
	£	£
Total expenses reimbursed to directors in so far as not chargeable to UK income tax:	567	997
Total expenses paid to Board Members	1,465	3,289

Loans to directors		Rate of interest	Amount outstanding		Maximum outstanding during year
			31 March 2015	31 March 2014	
			£	£	£
Andrew Clark	Car Purchase Loan	3.5%	14,907	18,745	18,745
Thomas Hailey	Car Purchase Loan	3.5%	-	3,823	3,823
Craig Stirrat	Car Purchase Loan	3.5%	-	4,845	4,845
Total outstanding			14,907	27,413	27,413

The loans made were for the purchase of a car. The loans were made by the Association on the same terms as were available to other employees who were essential car users.

6. Employee Information

	Group		Association	
	2015	2014	2015	2014
The average weekly number of persons employed during the period (Full Time Equivalent) was	60.1	65.6	60.1	65.6
Office Colleagues				
Colleague costs during the period	£	£	£	£
Wages and salaries	1,269,859	1,294,431	1,256,597	1,278,500
Social security costs	99,447	103,189	99,447	103,189
Pension costs (Note 24)	264,406	256,580	264,406	256,580
Adjustment to past / current service costs	90,000	95,000	90,000	95,000
Temporary employee costs	95,676	9,526	95,676	9,526
Sub-total	1,819,388	1,758,726	1,806,126	1,742,795
Maintenance Services Department				
Wages and salaries	693,305	678,655	693,305	678,655
Social security costs	54,362	53,701	54,362	53,701
Pension costs (Note 24)	153,625	144,373	153,625	144,373
Adjustment to past/current services costs	-	-	-	-
Temporary employee costs	28,633	9,844	28,633	9,844
Sub total	929,925	886,573	929,925	886,573
Total	2,749,313	2,645,299	2,736,051	2,629,368

7. Operating Surplus

	Group		Association	
	2015	2014	2015	2014
Operating surplus is stated after charging (crediting) :	£	£	£	£
Depreciation of housing properties	1,695,724	1,655,670	1,695,724	1,655,670
Depreciation of other assets	159,541	156,295	158,431	155,323
Impairment of housing properties	-	157	-	-
Repairs: cyclical, major, day to day	2,456,183	2,554,095	2,427,124	1,863,384
Auditor's remuneration in their capacity as auditors	15,895	15,360	13,901	11,760
Auditor's remuneration in respect of other services	-	1,200	-	1,220
Receipt of grant	(168,075)	(142,659)	(168,075)	(142,659)
Operating lease rentals	385,835	248,977	385,835	248,977

8. Interest payable and similar charges

	Group		Association	
	2015	2014	2015	2014
	£	£	£	£
Long term bank loan	2,575,051	2,468,746	2,575,051	2,468,746
Other interest payable	-	7	-	7
Total	2,575,051	2,468,753	2,575,051	2,468,753

9. Interest receivable and other income

	Group		Association	
	2015	2014	2015	2014
	£	£	£	£
Interest receivable	14,971	18,873	126,524	115,256

10a. Taxation- Group

Tax on surplus on ordinary activities

	2015	2014
	£	£
Analysis of charge in period		
Current Tax		
UK Corporation tax	(3,898)	-
Total current tax charge	(3,898)	-
Deferred Tax		
Timing differences, origination and reversal	(12,234)	(2,636)
Tax on profit on ordinary activities	(16,132)	(2,636)

PACT Enterprises Ltd is a commercial subsidiary and is liable to Corporation Tax and will donate its profits to the Charity through the Gift Aid scheme once all the liabilities due to the parent are settled.

10b. Taxation - Association

Fife Housing Association Ltd. was accorded charitable status for taxation purposes by the Inland Revenue. In the period to 31 March 2015 it is considered that the Association's activities were within the scope of the charitable status and accordingly no provision for taxation is necessary.

11. Tangible Fixed Assets – Group and Association

	Housing Properties Held for Letting	Housing Stock Under Development	Shared Ownership	Total
Cost or revaluation	£	£	£	£
At 1 April 2014	78,646,031	3,328,938	273,145	82,248,114
Additions	2,304,228	2,594,819	-	4,899,047
Transfers	3,591,074	(3,591,074)	-	-
Disposals	(182,126)	-	-	(182,126)
As at 31 March 2015	84,359,207	2,332,683	273,145	86,965,035
Depreciation				
As at 1 April 2014	(14,199,262)	-	(9,848)	(14,209,110)
Charge for year	(1,689,726)	-	(945)	(1,690,671)
Disposals	50,792	-	-	50,792
Impairment provision	-	-	-	-
At 31 March 2015	(15,838,196)	-	(10,793)	(15,848,989)
Social Housing Grants				
As at 1 April 2014	(22,944,645)	(1,399,455)	(225,859)	(24,569,959)
Additions	-	(1,564,752)	-	(1,564,752)
Transfers	(1,222,320)	1,222,320	-	-
Disposals	-	-	-	-
At 31 March 2015	(24,166,965)	(1,741,887)	(225,859)	(26,134,711)
Other Public Grants				
As at 1 April 2014	(1,499,561)	(696,000)	-	(2,195,561)
Additions	-	(51,800)	-	(51,800)
Transfers	(507,800)	507,800	-	-
At 31 March 2015	(2,007,361)	(240,000)	-	(2,247,361)
Total Grants as at 31 March 2015	(26,174,326)	(1,981,887)	(225,859)	(28,382,072)
Net Book Value at 31 March 2015	42,346,685	350,796	36,493	42,733,974
Net Book Value at 31 March 2014	39,997,842	1,238,204	37,438	41,273,484

The Association capitalised £2.3m of major component replacement expenditure in 2014-15 (2013-14 £1.8 million).

12. Surplus on disposal of Assets (Group and Association)

	RTB Sales	Shared ownership	Land	Other assets	Total 2014-15	Total 2013-14
	£	£	£	£	£	£
Income	307,780	-	1,200	1,200	310,180	140,429
Expenses	(4,481)	-	-	-	(4,481)	(2,171)
Cost of sale	(125,186)	-	-	(1,094)	(126,280)	(65,130)
Abortive costs	(1,350)	-	-	-	(1,350)	(1,050)
Discount repaid by owner	-	-	-	-	-	-
Surplus on disposal of assets	176,763	-	1,200	106	178,069	72,078

13a. Fixed Asset Investments – Shared Equity (LIFT) (Group and Association)

	Total
Cost	£
As at 1 April 2014	1,494,090
Transfer from current assets - work in progress	-
As at 31 March 2015	1,494,090
Grant	
As at 1 April 2014	(1,494,090)
Transfer from current assets - work in progress	-
Transferred from fixed assets	-
As at 31 March 2015	(1,494,090)
Net Book Value as at 31 March 2015	-
Net Book Value as at 31 March 2014	-

13b. Fixed Asset Investments – Subsidiary (Association only)

	2015	2014
Cost	£	£
PACT Enterprises Limited	1	1

13c. Fixed Assets – Investment Properties (Group only)

	Investment Properties	Shared Equity	Total
	£	£	£
As at 1 April 2014	2,454,000	9,630	2,463,630
Additions	196,183	-	196,183
Revaluation	23,532	-	23,532
Transferred from current assets	428,285	-	428,285
Disposals	-	-	-
As at 31 March 2015	3,102,000	9,630	3,111,630
As at 31 March 2014	2,454,000	9,630	2,463,630

A desktop valuation was carried out by Kenneth M Young, MRICS of Hardies Property and Construction Consultants, an external valuer as at 31 March 2015. The basis of the valuation is Open-Market Value with the assumption of vacant possession. This valuation is prepared under the assumption that at the time of valuation the properties were tenanted under short assured tenancies.

14a. Tangible Fixed Assets – Group

	Office land & Buildings Leasehold	Tenant Improve-ments	Office land & buildings	Commercial Properties	Computer software	Furniture & fittings	Vehicles	Total
	£	£	£	£	£	£	£	£
Cost								
As at 1 April 2014	40,030	52,202	1,150,744	85,488	641,286	180,864	351,200	2,501,814
Additions	-	-	-	-	124,170	9,174	-	133,344
Transfer from developments	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2015	40,030	52,202	1,150,744	85,488	765,456	190,038	351,200	2,635,158
Depreciation								
As at 1 April 2014	(4,402)	(2,438)	(236,832)	(5,849)	(414,130)	(124,170)	(93,240)	(881,061)
Charge for year	(801)	(1,044)	(24,109)	(1,560)	(51,794)	(10,294)	(70,240)	(159,842)
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2015	(5,203)	(3,482)	(260,941)	(7,409)	(465,924)	(134,464)	(163,480)	(1,040,903)
Net Book Value as at 31 March 2015	34,827	48,720	889,803	78,079	299,532	55,574	187,720	1,594,255
Net Book Value as at 31 March 2014	35,628	49,763	913,912	79,639	227,156	56,694	257,960	1,620,752

14b. Tangible Fixed Assets – Association

	Office land & Buildings Leasehold	Tenant improve-ments	Office land & buildings	Commercial Properties	Computer software	Furniture & fittings	Vehicles	Total
Cost	£	£	£	£	£	£	£	£
As at 1 April 2014	40,030	52,202	1,150,744	85,488	641,286	174,289	351,200	2,495,239
Additions	-	-	-	-	124,171	8,055	-	132,226
Transfer from developments	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2015	40,030	52,202	1,150,744	85,488	765,457	182,344	351,200	2,627,465
Depreciation								
As at 1 April 2014	(4,402)	(2,438)	(236,832)	(5,849)	(414,130)	(122,781)	(93,240)	879,672)
Charge for year	(801)	(1,044)	(24,109)	(1,560)	(51,794)	(8,884)	(70,240)	(158,432)
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2015	(5,203)	(3,482)	(260,941)	(7,409)	(465,924)	(131,665)	(163,480)	(1,038,104)
Net Book Value as at 31 March 2015	34,827	48,720	889,803	78,079	299,533	50,679	187,720	1,589,361
Net Book Value as at 31 March 2014	35,628	49,764	913,912	79,639	227,156	51,508	257,960	1,615,567

15. Work in Progress / Stock

Group	As at 1 April 2014	Additions	Transfer to fixed assets	Transfer to Rent to Buy / for sale	Disposals	As at 31 March 2015
	£	£	£	£	£	£
Work in progress						
Work in progress - Cost	-	-	-	-	-	-
Work in progress - SHG	-	-	-	-	-	-
Work in progress total	-	-	-	-	-	-
Held for Sale						
Rent to Buy - transfer from WIP	576,390	-	-	-	-	576,390
Housing property held for sale - transfer from WIP	428,285	-	(428,285)	-	-	-
Housing property held for sale	-	-	-	-	-	-
Held for sale total	1,004,675	-	(428,825)	-	-	576,390

Association	As at 1 April 2014	Additions	Transfer to fixed assets	Transfer to Rent to Buy / for sale	Disposals	As at 31 March 2015
	£	£	£	£	£	£
Work in progress						
Work in progress - Cost	-	-	-	-	-	-
Work in progress - HAG	-	-	-	-	-	-
Work in progress total	-	-	-	-	-	-
Held for sale						
Housing property held for sale	-	-	-	-	-	-
Held for sale total	-	-	-	-	-	-

16a. Debtors

16a.	Group		Association	
	2015	2014	2015	2014
Amounts falling due within one year:	£	£	£	£
Debtors rental income	712,849	728,172	708,383	723,316
Bad debt provision	(550,000)	(390,000)	(550,000)	(390,000)
Prepayments and accrued income	271,579	240,855	270,075	240,855
Intercompany debtors	-	-	393,567	370,693
Other debtors	459,358	488,117	458,403	486,612
Grants receivable	-	-	-	-
Total	893,786	1,067,144	1,280,428	1,431,476

16b.	Group		Association	
	2015	2014	2015	2014
Amounts falling due after more than one year:	£	£	£	£
Deferred tax asset	-	12,290	-	-
Intercompany loan to Subsidiary	-	-	3,315,200	3,185,200
Total	-	12,290	3,315,200	3,185,200

17. Cash on Deposit

	Group		Association	
	2015	2014	2015	2014
Included within cash at bank and in hand is the following:	£	£	£	£
Short term deposits	4,626,803	5,025,125	4,518,285	4,950,394

In the above are balances totalling £20,387 - (2014 - £18,587) which are held in trust for shared ownership owners.

18. Creditors: Amounts falling due within one year

	Group		Association	
	2015	2014	2015	2014
	£	£	£	£
Loan interest payable	297,691	302,127	297,691	302,127
Accruals and deferred income	230,670	1,027,175	227,373	1,018,847
Rent in advance	471,450	388,836	465,829	388,836
Trade creditors	1,261,759	95,520	1,260,362	94,428
Taxation and social security	74,661	65,590	70,763	65,584
Intercompany creditors	-	-	-	-
Other creditors	263,227	283,839	244,753	261,498
Loans due within 1 year	-	-	-	-
Total	2,599,458	2,163,087	2,566,771	2,131,320

19. Creditors: Amounts falling due after more than one year

Loans are secured by specific charges on the Association properties and are repayable at fixed and varying rates of interest.

	Group		Association	
	2015	2014	2015	2014
	£	£	£	£
Housing Loans				
Fixed rate	20,000,000	20,000,000	20,000,000	20,000,000
Callable SWAP	5,000,000	5,000,000	5,000,000	5,000,000
RPI SWAP	5,000,000	5,000,000	5,000,000	5,000,000
Callable SWAP	5,000,000	5,000,000	5,000,000	5,000,000
Variable facility B	4,777,388	4,777,388	4,777,388	4,777,388
Total	39,777,388	39,777,388	39,777,388	39,777,388

Analysis of duration of loans

	Group		Association	
	2015	2014	2015	2014
	£	£	£	£
Loans due within one year	-	-	-	-
Loans due within one and two years	-	-	-	-
Loans due within two and five years	-	-	-	-
Loans due after five years	39,777,388	39,777,388	39,777,388	39,777,388
Total	39,777,388	39,777,388	39,777,388	39,777,388

20. Provisions for liabilities and charges (Group only)

	2015	2014
	£	£
Accelerated capital allowances	979	1,037
Tax losses carried forward	-	(12,290)
Provision for deferred taxation	979	(11,253)
Provision at 1 April 2014	(11,253)	(13,889)
Deferred tax charge in income & expenditure account	12,234	2,636
Provision at 31 March 2015	979	(11,253)

Deferred tax is split as £979 liability and £0 asset.

21. Called up share capital (Group and Association)

	2015	2014
	£	£
Allotted, issued and fully paid at 1 April 2014	99	91
Issued in period	11	12
Redeemed in period	(16)	(4)
At 31 March 2015	94	99

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on winding up. When a shareholder ceases to be a member the £1 paid becomes the property of the Association.

Members are eligible to stand for election to the Board of Management and can vote for candidates at the Annual General Meeting.

22. Capital Commitments – Group and Association

At 31 March 2015 commitments outstanding were as follows:

	Group		Association	
	2015	2014	2015	2014
Authorised and contracted for	£	£	£	£
Planned maintenance	1,200,285	409,403	1,200,285	409,403
Developments	1,701,701	852,117	1,701,701	852,117
Total authorised and contracted for	2,901,986	1,261,520	2,901,986	1,261,520

Capital Commitments – Group and Association (Cont'd...)

At 31 March 2015 commitments outstanding were as follows:

	Group		Association	
	2015	2014	2015	2014
Authorised but not contracted	£	£	£	£
Purchase property and planned maintenance	-	-	-	-
Developments	-	-	-	-
Total authorised but not contracted for	-	-	-	-

The Association has sufficient finance available to fund the development and planned maintenance contracted for.

23. Lease Obligations – Group and Association

The annual commitments under non-cancellable operating leases are as follows:

	2015		2014	
	Land & buildings	Other operating leases	Land & buildings	Other operating leases
	£	£	£	
Operating leases which expire:				
Within one year	2,397	191,528	3,491	135,237
In the second to fifth year exclusive	-	3,410	-	24,632
Over five years	129,500	-	128,843	-
Total lease obligations	131,897	194,938	132,334	159,869

24. Pensions – Group and Association

The Association is an admitted body to the Fife Council Superannuation Fund which is a defined benefit pension scheme providing benefits based on final pensionable salary. Contributions to the fund are determined by the scheme's actuary based on the last formal valuation at 31 March 2014 and are charged to the Income and Expenditure Account as they are incurred as required under (FRS) 17. The pension costs for the period were £508,031 (2014 - £495,952).

The fund is actuarially valued on a triennial basis with the most recent being at 31 March 2014. Local Government Pension Scheme (LGPS) benefits are linked to price inflation and salary inflation and the real discount rate applied to changes in assumptions on liabilities.

There has been a deterioration in the balance sheet position this year. The change in market condition has led to a lower discount rate. The real discount rate in 2014 has decreased from 1.5% p.a. (4.3% discount rate less 2.8% CPI) to 0.8% p.a. as at 31 March 2015 (3.2% discount rate less 2.4% CPI). A lower real discount rate leads to a higher value being placed on the liabilities

however asset returns have been greater than expected which has offset some of the increase in liabilities.

The actuary recommended employer's contribution rates remain at 23.3% of employee's pensionable payments for the year to 31 March 2016.

Assumptions

The principal assumptions used by the independent qualified actuary in updating the most recent valuation to 31 March 2015 for Financial Reporting Standard (FRS) 17 purposes were:

Valuations

	2015	2014	2013	2012	2011	2010	2009
Main assumptions	%	%	%	%	%	%	%
Discount rate	3.2	4.3	4.5	4.8	5.5	5.5	6.9
Consumer Price / Retail Price Inflation	2.4	2.8	2.8	2.5	2.8	3.8	3.1
Rate of increase - pensions in payment	2.4	2.8	2.8	2.5	2.8	3.8	3.1
Salary increases*	3.3	5.1	5.1	4.8	5.1	5.3	4.6

* Salary increases are assumed to be 1% until 31 March 2016 and reverting to the long-term assumption thereafter.

The expected rate of return and the assets in the scheme at 31 March 2015 were:

	2015		2014	
	Long term rate of return	% split of assets	Long term rate of return	% split of assets
Equities	3.2%	72%	6.7%	71%
Bonds	3.2%	16%	4.0%	16%
Property	3.2%	8%	4.8%	9%
Cash	3.2%	4%	3.7%	4%

The above asset values at 31 March 2015 are at bid value as required under FRS17.

Mortality

The actuary has assumed that life expectancy will continue to increase in future years which has an adverse effect on the funding position of the pension scheme. The average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	22.0 years	23.7 years
Future pensioners	24.1 years	26.4 years

Balance Sheet

	31 March 2015	31 March 2014
	£000	£000
Fair Value of Employer Assets	10,371	9,085
Present Value of Funded Liabilities	(13,815)	(12,412)
Net liability	(3,444)	(3,327)

Analysis of the amount charged to operating surplus

	2015	2014
	£000	£000
Current service cost	508	437
Past service cost	-	96
Impact of settlements and curtailments	-	-
Total operating charge	508	533

Analysis of the amount credited to other finance income

	2015	2014
	£000	£000
Expected return on pension scheme assets	(553)	(434)
Interest on pension scheme liabilities	541	497
Net return	(12)	63

Reconciliation of Defined Benefit Obligation

	31 March 2015	31 March 2014
	£000	£000
Opening defined benefit obligation	12,412	10,831
Current service cost	508	437
Interest cost	541	497
Contributions by members	116	112
Actuarial losses	481	646
Past service costs	-	96
Impact of settlements and curtailments	-	-
Estimated benefits paid	(243)	(207)
Closing defined benefit obligation	13,815	12,412

Reconciliation of Fair Value of Employer Assets

	31 March 2015	31 March 2014
	£000	£000
Opening fair value of employer assets	9,085	8,180
Expected return on assets	553	434
Contributions by members	116	112
Contributions by employer	418	438
Actuarial gains	442	128
Benefits paid	(243)	(207)
Closing fair value of employer assets	10,371	9,085

Amount Recognised in Statement of Total Recognised Gains and Losses

	2015	2014	2013	2012	2011
	£000	£000	£000	£000	£000
Actual return less expected return on pension scheme assets	442	128	509	(67)	(16)
Change in assumptions underlying the present value of scheme liabilities	(481)	(646)	(1,171)	(221)	921
Actuarial (losses) / gains	(39)	(518)	(662)	(288)	905
Increase / decrease in irrecoverable surplus from membership fall and other factors	-	-	-	-	-
Actuarial gains / (losses) recognised in STRGL	(39)	(518)	(662)	(288)	905
Cumulative actuarial gains / (losses)	(3,438)	(3,399)	(2,881)	(2,219)	(1,931)

History of gains and losses

	2015	2014	2013	2012	2011
	£000	£000	£000	£000	£000
Fair value of employer assets	10,371	9,085	8,180	6,940	6,291
Present value of defined benefit obligations	(13,815)	(12,412)	(10,831)	(8,927)	(8,045)
Deficit	(3,444)	(3,327)	(2,651)	(1,987)	(1,754)
Experience gains / (losses) on assets	442	128	509	(67)	(16)
Experience gains on liabilities	(253)	3	10	612	-

25. Legislative provisions

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Financial Conduct Authority. It is registered with the Scottish Housing Regulator. The Association is recognised as a charity by the Office of the Scottish Charity Regulator.

26. Reconciliation of movement in reserves

	Revenue Reserve	Revenue Reserve	Revaluation Reserve	Revaluation Reserve
Group	2015	2014	2015	2014
	£	£	£	£
Opening balance at 1 April 2014	6,216,757	6,220,378	981,732	1,088,457
Surplus for the year	492,898	(3,621)	23,532	(106,725)
Transfer to reserves	-	-	-	-
Utilised during year	-	-	-	-
Closing balance at 31 March 2015	6,709,655	6,216,757	1,005,264	981,732

	Revenue Reserve	Revenue Reserve	Revaluation Reserve	Revaluation Reserve
Association	2015	2014	2015	2014
	£	£	£	£
Opening balance at 1 April 2014	7,220,315	7,202,255	-	-
Surplus for the year	428,681	18,060	-	-
Transfer to reserves	-	-	-	-
Utilised during year	-	-	-	-
Closing balance at 31 March 2015	7,648,996	7,220,315	-	-

27. Subsidiaries Information – Group and Association

Details of the investments in which the Association holds more than 10% of the nominal value of any class of share capital are as follows:

Name of Company	Country of Registration or Incorporation	Date of Incorporation	Proportion of Voting Rights	Nature of Business
Subsidiary undertakings				
PACT Enterprises Limited	Scotland	March 2010	100%	Property investment and property management and maintenance.

28. Related Parties – Group and Association

The tenants who sit on the Board of Management have entered into tenancies on the Association's normal terms and conditions and they gain no advantage from their involvement on the Board. Transactions with the Association are undertaken on standard terms applicable to all tenants. No member of the Board can influence the decision making process to their own advantage.

The following board members have involvement with other organisations:

- Lorna Paterson is a member of the board of Employers in Voluntary Housing (EVH) and the Tenant Participation Advisory Service Scotland (TPAS, although not as a representative of Fife Housing Association).

PACT Enterprises Limited is a wholly owned and controlled subsidiary of Fife Housing Association. The following members of the Board of Management of Fife Housing Association are also Directors of PACT Enterprises:

- Philip Shave (deceased 26 July 2014)
- Iain McGhee (resigned 26 January 2015)
- Derek Adam
- Nicki Donaldson (appointed 19 May 2014)
- Ed Duguid (resigned 16 May 2014)
- Katherine Dewar (appointed 15 September 2014)
- Martin Fleming (co-opted 30 March 2015)

Fife Housing Association has agreed to make available to PACT a loan facility of £3,900,000, to date PACT has drawn down £3,315,200. Interest is charged at LIBOR plus 2.5% margin.

A Service Level Agreement exists between Fife HA and PACT Enterprises Limited dated January 2014.

Fife Housing Association has levied fees for the following amounts to PACT Enterprises during the period 1 April 2014 to 31 March 2015:

	2015	2014
Staff and overhead costs for services provided to PACT Enterprises Limited	14,919	17,192
Repairs carried out by Fife HA on behalf of PACT Enterprises Limited	27,073	98,869
Interest payable on debt outstanding	111,552	96,383
Properties purchased from Fife HA	-	36,800

The balance outstanding from PACT Enterprises at 31 March 2015 was £393,567 (2014 - £370,694). A payment of £130,671 towards the balance was made during the year.