

Glasgow West Housing Association Limited

Report and Financial Statements

For the year ended 31st March 2015

Registered Housing Association No. HEP126

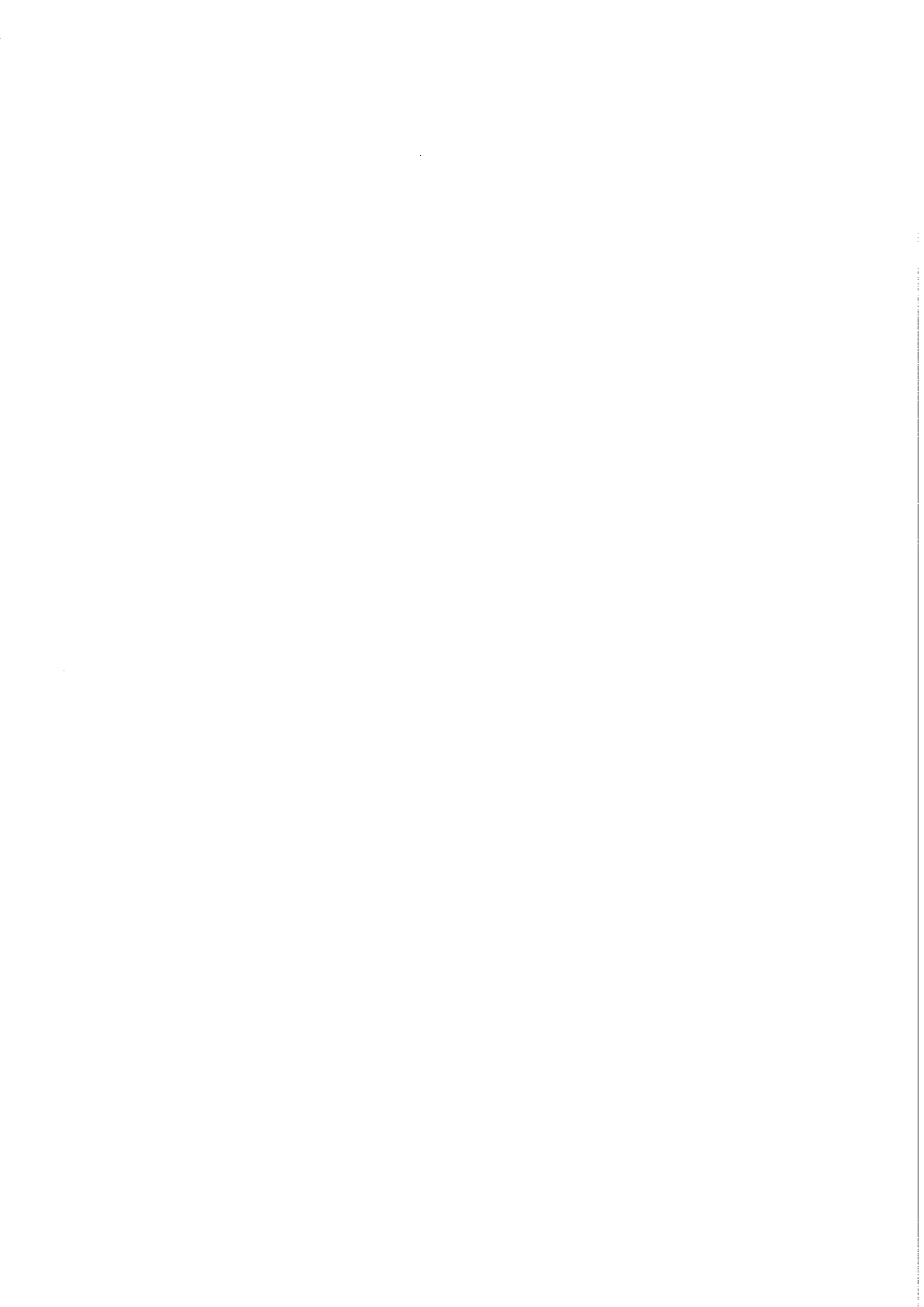
FCA Reference No. 1955R(S)

Scottish Charity No. SC001667

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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GLASGOW WEST HOUSING ASSOCIATION LIMITED

**COMMITTEE OF MANAGEMENT, EXECUTIVES AND ADVISERS
YEAR ENDED 31st MARCH 2015**

COMMITTEE OF MANAGEMENT

Yushin Toda	Chairperson
Walter Halley	Vice Chairperson
James Michael	Secretary
John Banks	Treasurer
Jim Anderson	
Moira Wadsworth	
Joginder Makar	
George Fraser	
Hanif Mirza	Elected 28/06/14
Margaret Semple	
Elizabeth Marshall	
Bob Hay	Elected 28/06/14

EXECUTIVE OFFICERS

Linda Reid	Chief Executive
Elaine Travers	Services Director
Anne Allan	Corporate Director
Ruth Brogan	New Business Director

REGISTERED OFFICE

5 Royal Crescent
Glasgow
G3 7SL

AUDITORS

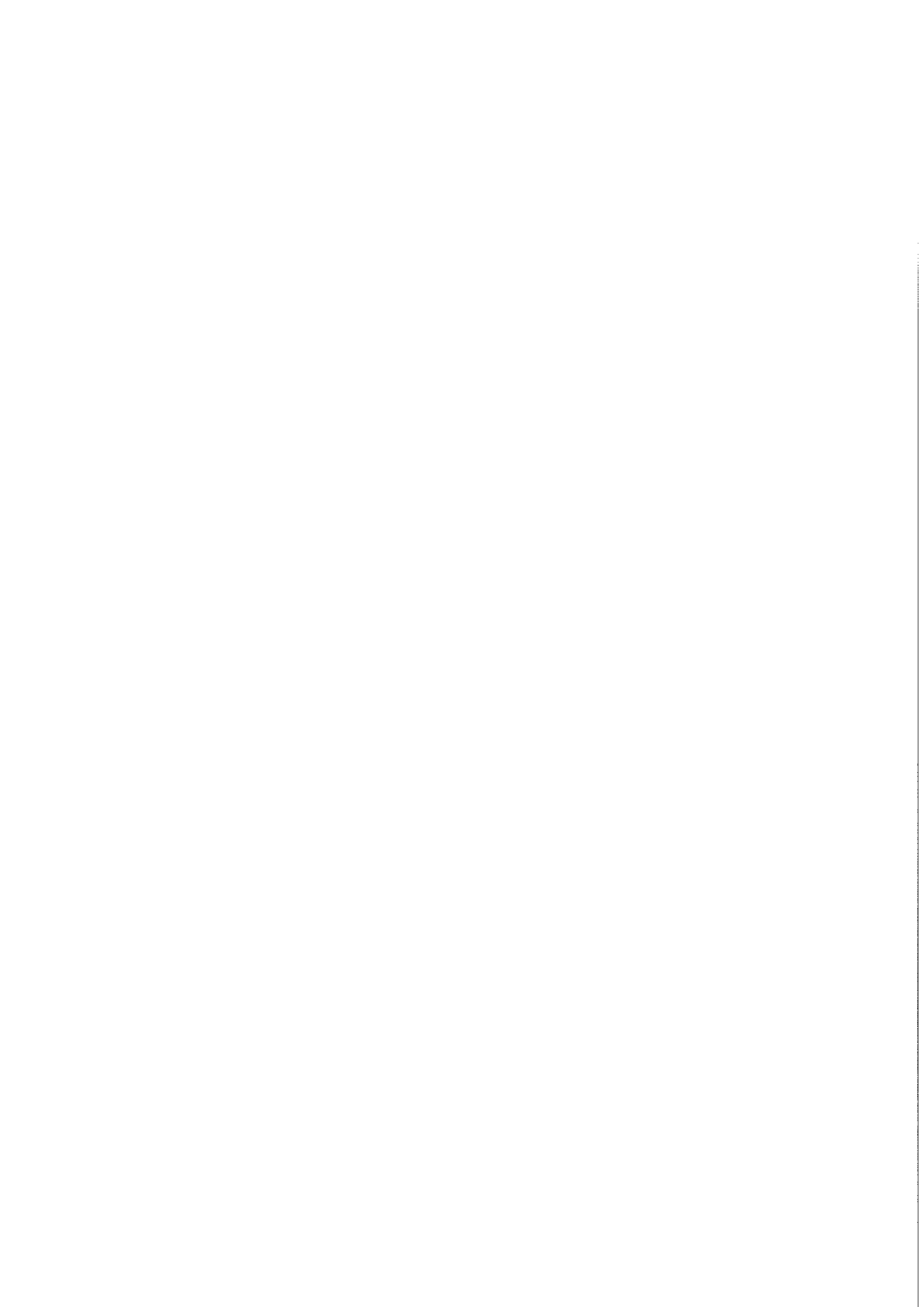
Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow
G2 7HF

BANKERS

Clydesdale Bank
326 Byres Road
Glasgow
G12 8AN

SOLICITORS

T C Young
7 West George Street
Glasgow
G2 1BA



REPORT OF THE COMMITTEE OF MANAGEMENT
FOR THE YEAR ENDED 31ST MARCH 2015

The Committee of Management presents its report and the Financial Statements for the year ended 31st March 2015.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.1955R(S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC001667.

Principal Activities

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

Review of Business and Future Developments

Members of the Management Committee are satisfied with the continued steady performance and state of affairs. Performance for the year was consistent with forecasts. The surplus for the year has been transferred to designated reserves to fund the Major Repairs programme. Net assets now stand at £24.5m.

The journey towards GWhA^[1]'s 2020 vision continues with appropriate pace as we embed the stock transfers from Glasgow Housing Association and achieved 93%^[2] of SHQS^[3], by 31 March 2015; with projects commissioned to ensure delivery of SHQS during 2015. From there, the challenge will be in delivering the GWHQS^[4], through a revised and challenging 5 year investment programme, including achieving the government's Energy Efficiency Standard in traditional tenements by 2020. Responding to the feedback from our Satisfaction Survey, we have restructured our Property Services Team, with a dedicated Repairs Team now in place to deliver improvements in our response repairs service. There has been sound progress in rent arrears recovery performance particularly in the context of Welfare Reform, where GWhA's Tenancy Sustainment Team have built a momentum for mitigating the impact of further reforms, through a wider support and preventative measures. In this year of the Commonwealth Games in Glasgow, we were delighted to support 23 families to sustain their tenancies, with 120 items of furniture from the Commonwealth Legacy Fund delivered in the lead up to Christmas. Following intensive training and support, a Lettings Panel was established to support new tenancies at Blythswood Court. Other successful initiatives include a contribution towards house contents insurance for Rent Reward Scheme Members and forging a successful equalities partnership with CEMVO.^[5]

The residual and final phase of the transfer of the factoring service from GWhA to our subsidiary, Glasgow West Enterprises Ltd, has put factoring in its rightful place. Prudent management and sound fiscal planning have ensured continued strong financial performance. A new efficiency strategy, which captures our culture of continuous improvement, value and efficiency, is evident and at forefront of our operations and service delivery. This includes initiatives to reduce the time properties are empty between lets, ensure rents remain affordable, achieve best value and added value (including work experience and apprenticeship opportunities, and investment in community spaces) from investment in our housing assets and the elimination of waste at all levels in the organisation. We listened to the feedback from tenants regarding rent increases and contained this year's increase to 2.9%.

Following changes in the government's development funding framework, further financial appraisal and with support from GCC, we have progressed to tender stage with the Corunna/Dover development projects, with a view to further financial stress testing in 2015 and potential site starts early 2016. Unfortunately, due to matters outwith our control it is unlikely that the Corunna Street project will be developed in the near future.

REPORT OF THE COMMITTEE OF MANAGEMENT
FOR THE YEAR ENDED 31ST MARCH 2015

Review of Business and Future Developments (Contd)

GWHAs Committee Training Forum, continues to offer opportunities for renewing and refreshing our membership and governance. The adoption of new rules, at an SGM in January 2015, has ensured appropriate regulatory compliance.

Another challenging and successful year is attributed to embedded stakeholder engagement, the broad range of skills and experience of Committee members and the well-led, highly competent and service driven staff. This is a sound platform for delivering GWHAs vision and mission through sustainable corporate strategies supporting and delivering Service Enhancement, Robust Governance and Optimum Performance.

[1] Glasgow West Housing Association Limited

[2] Including 5% exemptions

[3] Scottish Housing Quality Standard

[4] Glasgow West Housing Quality Standard

[5] Council Of Ethnic Minority Voluntary Sector Organisations



REPORT OF THE COMMITTEE OF MANAGEMENT
FOR THE YEAR ENDED 31ST MARCH 2015

Committee of Management and Executive Officers

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

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

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

Statement of Committee of Management's Responsibilities

The Co-operative & Community Benefit Societies Act 2014 requires the Committee 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 of the surplus or deficit of the Association for that period. In preparing those Financial Statements, the Committee of Management is required to:-

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

The Committee of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2012. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

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

In so far as the Committee of Management are aware:

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

REPORT OF THE COMMITTEE OF MANAGEMENT
FOR THE YEAR ENDED 31ST MARCH 2015

Statement on Internal Financial Control

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

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

It is the Committee 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 of the Association's systems include ensuring that:

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

The Committee of Management has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 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.

Auditors

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

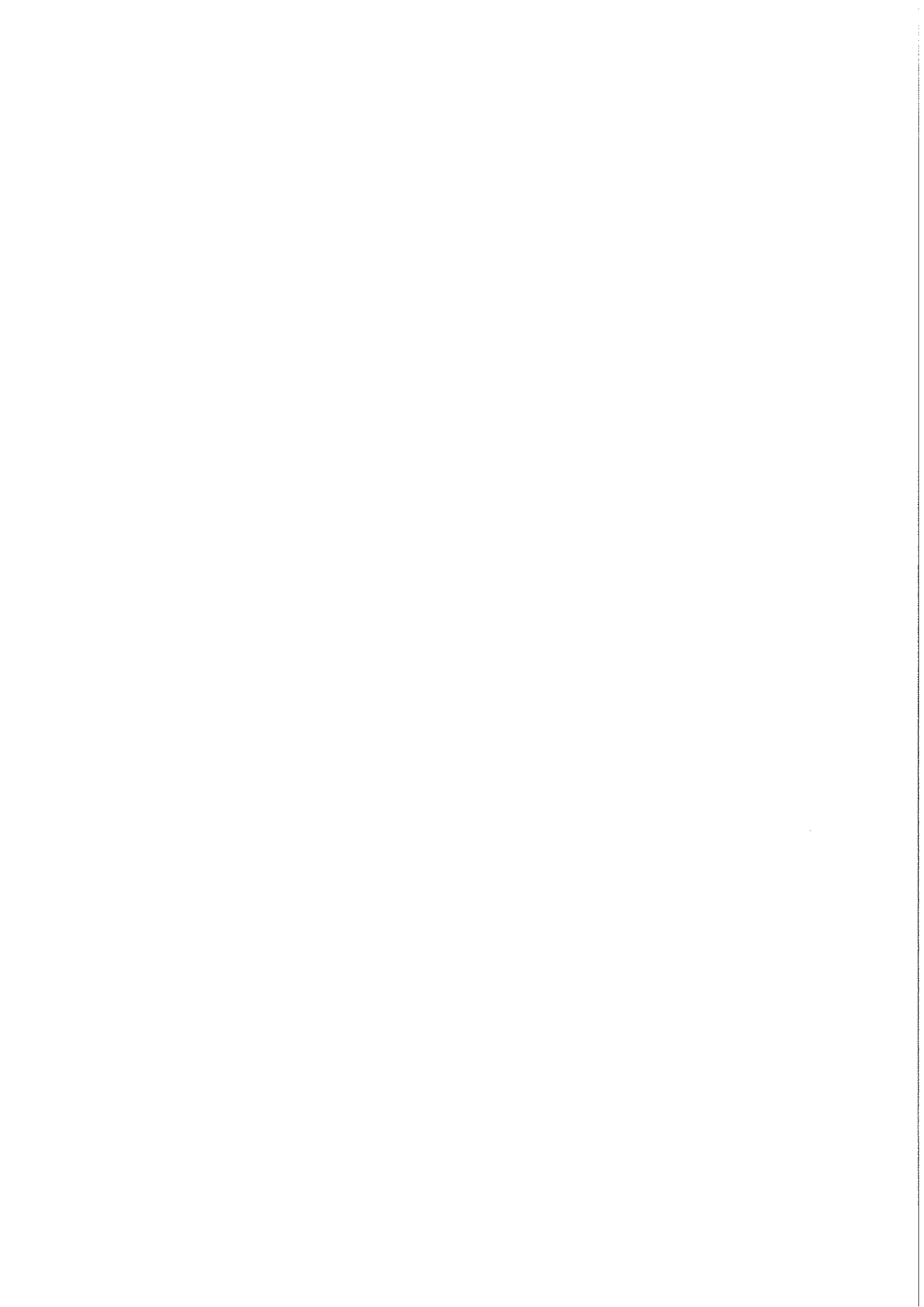
By order of the Committee of Management



JAMES MICHAEL

Secretary

16 June 2015



REPORT BY THE AUDITORS TO THE MEMBERS
GLASGOW WEST HOUSING ASSOCIATION LIMITED
ON CORPORATE GOVERNANCE MATTERS

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

Basis of Opinion

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

Opinion

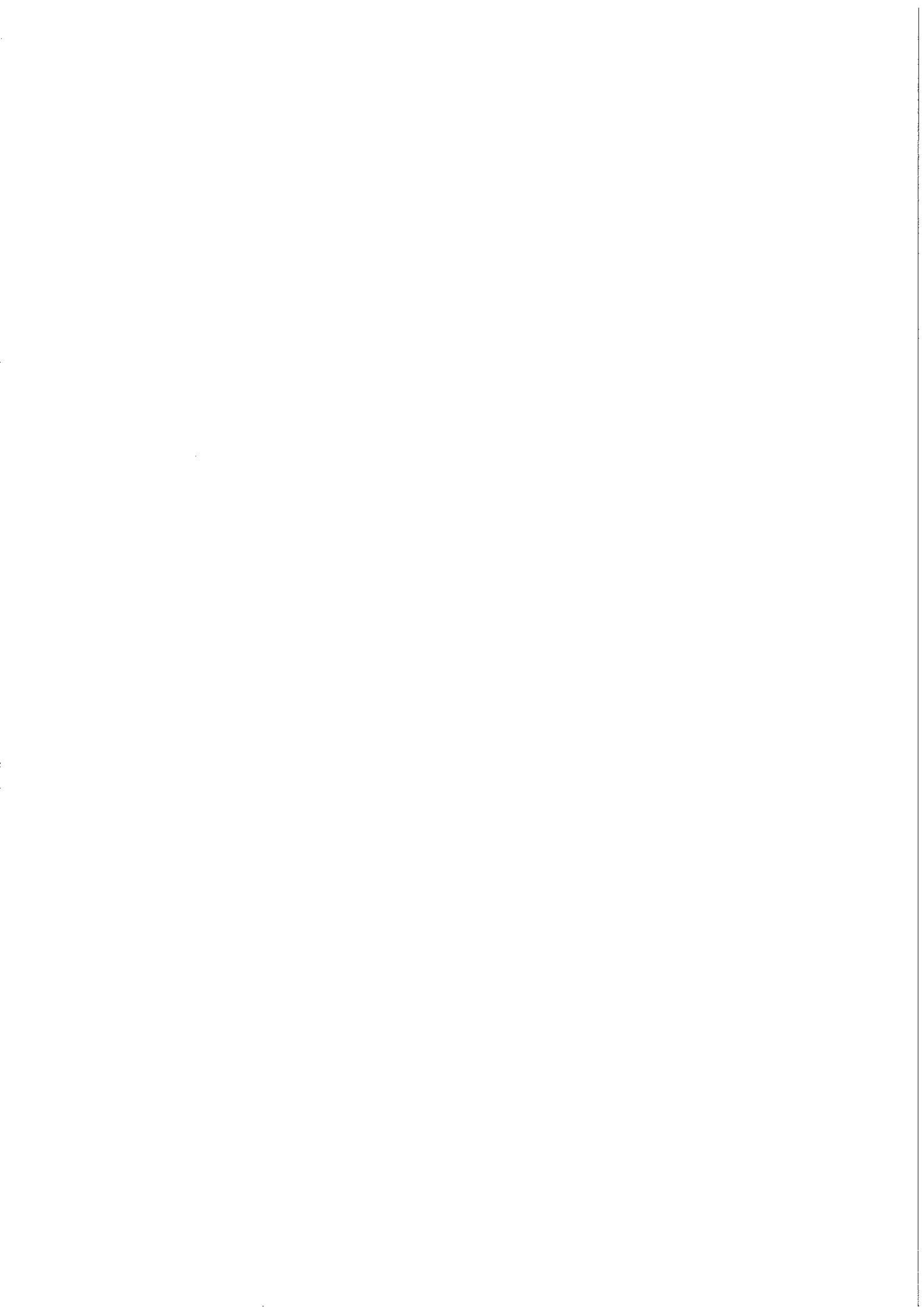
In our opinion the Statement on Internal Financial Control on page 5 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial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

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



ALEXANDER SLOAN
Chartered Accountants

GLASGOW
16 June 2015



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLASGOW WEST HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Glasgow West Housing Association Limited for the year ended 31st March 2015 which comprise an income and expenditure account, balance sheet, cash flow statement and 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 Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Committee of Management and Auditors

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

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

Scope of the audit on the Financial Statements

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

Opinion on the financial statements

In our opinion the Financial Statements:

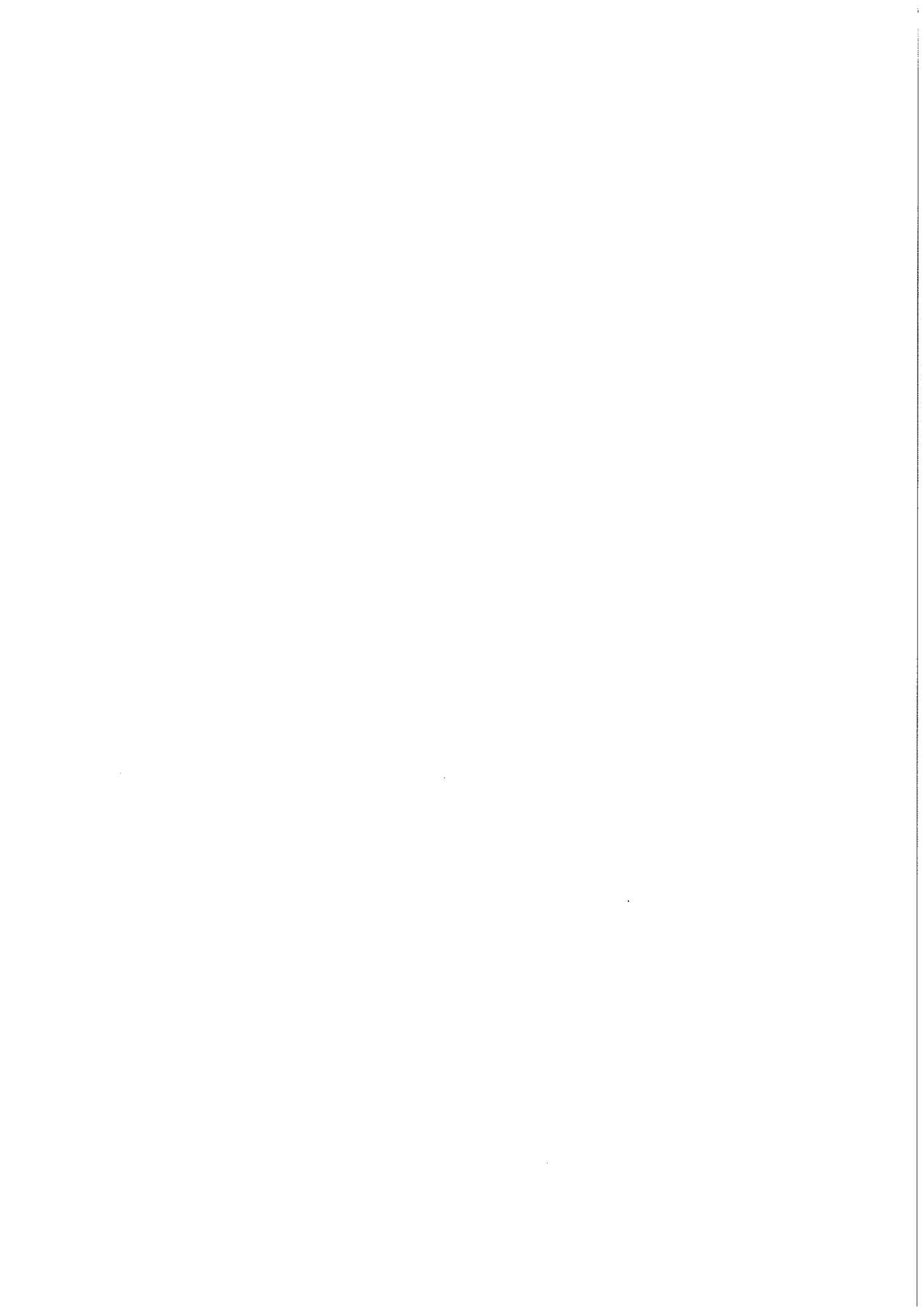
- give a true and fair view of the state of the Association's affairs as at 31st March 2015 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice: and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2012.

In our opinion the exemption granted by the Financial Conduct Authority from the requirement to prepare Group Accounts is applicable as the amounts involved are not material.

Matters on which we are required to report by exception

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

- the information given in the Management Committee's Report is inconsistent with the financial statements.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GLASGOW WEST HOUSING ASSOCIATION LIMITED

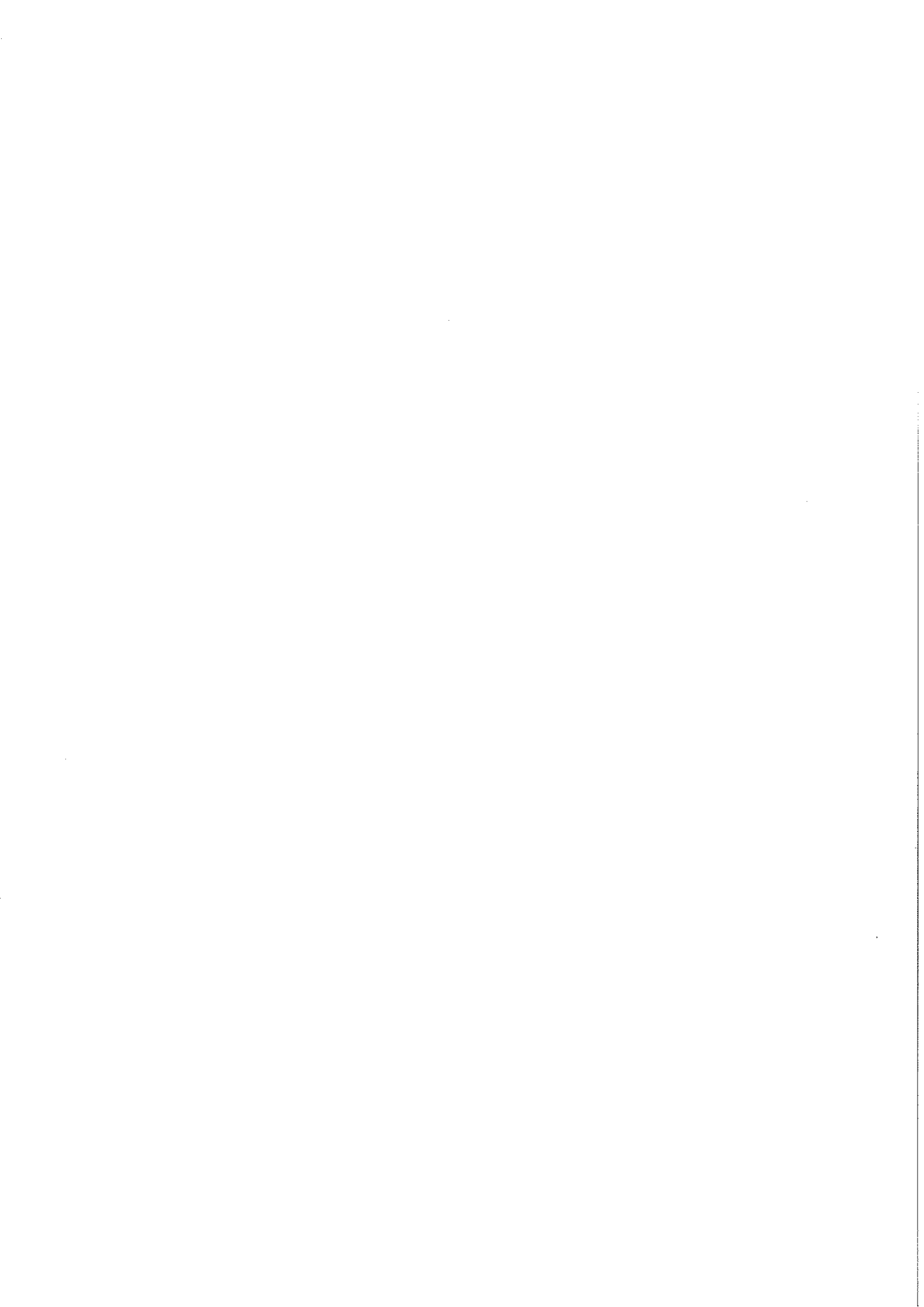
Matters on which we are required to report by exception (contd.)

- proper books of account have not been kept by the Association in accordance with the requirements of the legislation.
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation.
- the Income and Expenditure Account to which our report relates, and the Balance Sheet are not in agreement with the books of the Association.
- we have not received all the information and explanations necessary for the purposes of our audit.

We have nothing to report in respect of these matters.



ALEXANDER SLOAN
Chartered Accountants
Statutory Auditors
GLASGOW
16 June 2015



GLASGOW WEST HOUSING ASSOCIATION LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2015

	Notes	2015 £	2014 £
TURNOVER	2.	6,020,758	5,881,805
Operating Costs	2.	<u>(4,632,082)</u>	<u>(4,181,591)</u>
OPERATING SURPLUS	9.	1,388,676	1,700,214
Gain On Sale Of Housing Stock	7.	700,996	9,409
Interest Receivable and Other Income		223,555	253,352
Interest Payable and Similar Charges	8.	(46,766)	(64,944)
Defined Benefit Pension Scheme - Other Finance Gain		16,000	5,000
		<u>893,785</u>	<u>202,817</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		2,282,461	1,903,031
Tax on surplus on ordinary activities	10.	-	-
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>2,282,461</u>	<u>1,903,031</u>

All amounts relate to continuing activities. Historical cost surpluses and deficits are identical to those shown in the accounts.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2015 £	2014 £
Surplus for the financial year	2,282,461	1,903,031
Actuarial Losses on Defined Benefit Pension Scheme	23. (320,000)	(51,000)
Total gains recognised since last annual report	<u>1,962,461</u>	<u>1,852,031</u>

GLASGOW WEST HOUSING ASSOCIATION LIMITED

BALANCE SHEET AS AT 31st MARCH 2015

	Notes	2015	2014
		£	£
TANGIBLE FIXED ASSETS			
Housing Properties - Depreciated Cost	11.(a)	52,955,604	53,775,604
Less: Social Housing Grant	11.(a)	(44,980,410)	(45,703,144)
: Other Public Grants	11.(a)	-	-
		<u>7,975,194</u>	<u>8,072,460</u>
Other fixed assets	11.(b)	239,285	254,985
		<u>8,214,479</u>	<u>8,327,445</u>
FIXED ASSET INVESTMENTS			
Investment in subsidiaries	21.	1	1
Shared Equity Cost	21.	518,462	518,462
Shared Equity Grant	21.	(518,462)	(518,462)
		<u>-</u>	<u>-</u>
CURRENT ASSETS			
Debtors	13.	318,952	1,306,032
Investments	22.	19,500,000	15,370,000
Cash at bank and in hand		1,034,719	1,653,643
		<u>20,853,671</u>	<u>18,329,675</u>
CREDITORS: Amounts falling due within one year	14.	(1,871,492)	(1,583,945)
NET CURRENT ASSETS		<u>18,982,179</u>	<u>16,745,730</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>27,196,659</u>	<u>25,073,176</u>
CREDITORS: Amounts falling due after more than one year	15.	(2,713,458)	(2,872,443)
PROVISIONS FOR LIABILITIES AND CHARGES			
Other Provision	29.	-	-
Pension Liability	23.	(459,000)	(139,000)
		<u>(459,000)</u>	<u>(139,000)</u>
NET ASSETS		<u>24,024,201</u>	<u>22,061,733</u>
CAPITAL AND RESERVES			
Share Capital	17.	935	928
Designated Reserves	18.(a)	22,013,480	17,775,653
Revenue Reserves	18.(b)	2,468,786	4,424,152
Pension Reserves	18.(c)	(459,000)	(139,000)
		<u>24,024,201</u>	<u>22,061,733</u>

The Financial Statements were approved by the Committee of Management and signed on their behalf on 16 June 2015.


Chairperson


Committee Member


Secretary

GLASGOW WEST HOUSING ASSOCIATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED

31st MARCH 2015

	Notes	2015 £	2014 £
Net Cash Inflow from Operating Activities	16.	1,880,034	2,171,129
Returns on Investment and Servicing of Finance			
Interest Received		226,335	251,579
Interest Paid		(48,016)	(65,142)
Net Cash Inflow from Investment and Servicing of Finance		178,319	186,437
Capital Expenditure and Financial Investment			
Acquisition and Construction of Properties		(306,110)	(99,817)
Purchase of Other Fixed Assets		(17,145)	(6,099)
Social Housing Grant Received		1,009,890	-
Social Housing Grant Repaid		(146,861)	48,965
Proceeds on Disposal of Properties		1,509,933	67,502
Net Cash Inflow from Capital Expenditure and Financial Investment		2,049,707	10,551
Net Cash Inflow before use of Liquid Resources and Financing		4,108,060	2,368,117
Management of Liquid Resources			
Change in short term deposits with banks		(4,130,000)	(4,370,000)
Financing			
Loan Advances Received		-	-
Loan Redemption Payments		-	-
Loan Principal Repayments		(596,991)	(230,733)
Share Capital Issued		7	16
Net Cash Outflow from Financing		(596,984)	(230,717)
Decrease in Cash	16.	<u>(618,924)</u>	<u>(2,232,600)</u>

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Basis Of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords 2010, and on the historical cost basis. They also comply with the Determination of Accounting Requirements 2012. A summary of the more important accounting policies is set out below.

Basis Of Consolidation

The Association has obtained exemption from the Financial Services Authority from producing Consolidated Financial Statements as provided by Section 14(2A) of the Friendly and Industrial and Provident Societies Act 1968. The Financial Statements for Glasgow West Housing Association Limited present information about it as an individual undertaking and not about its Group.

Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable.

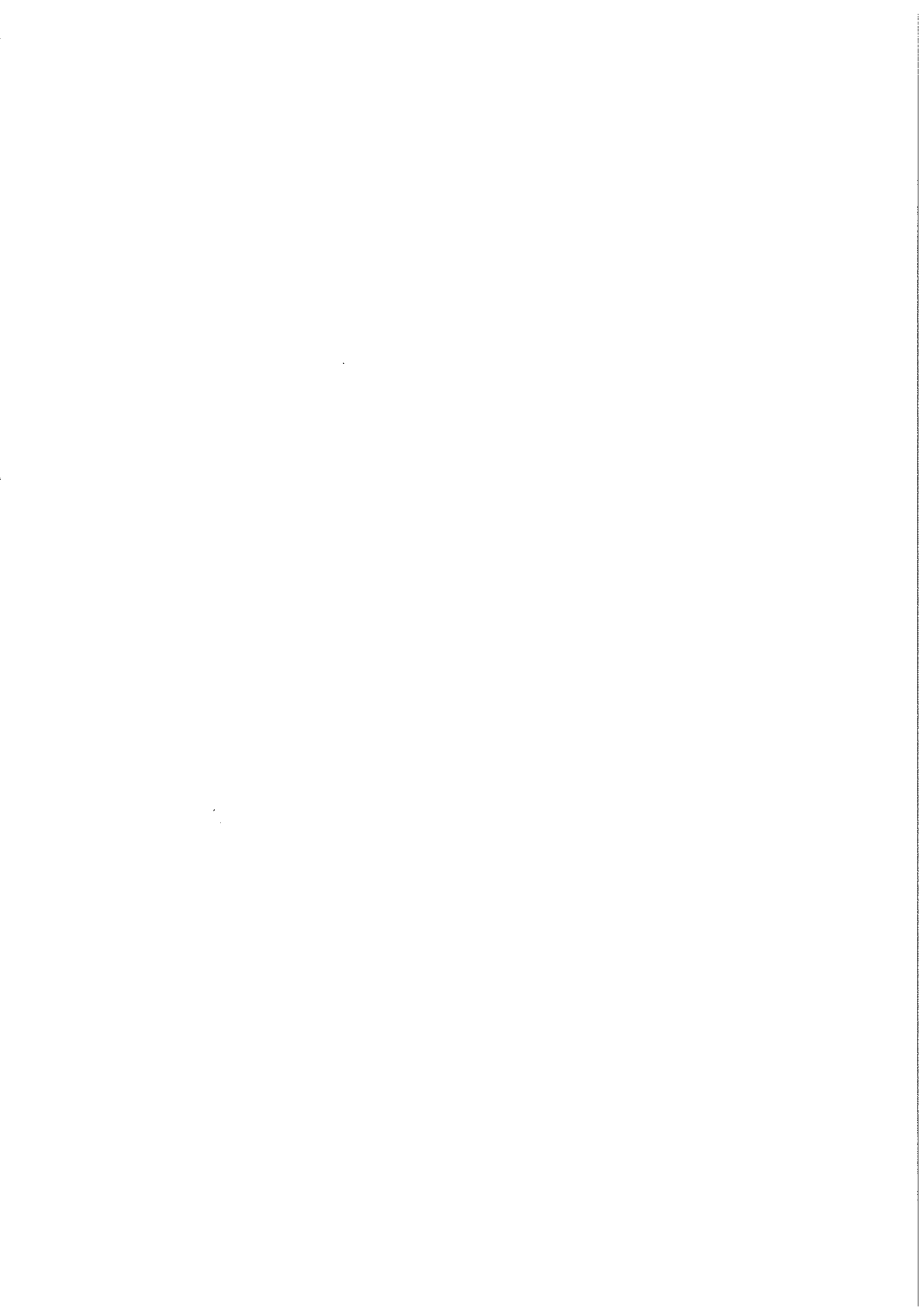
Retirement Benefits

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

Valuation Of Housing Properties

Housing Properties are stated at cost, less social housing and other public grants and less accumulated depreciation. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 11. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

<i>Component</i>	<i>Useful Economic Life</i>
Structure	50 years
Roof	50 years
Kitchen	15 years
Bathroom	25 years
Windows	25 years
Boiler	15 years
Central Heating System	30 years
Rewiring	30 years
Doors	30 years
Lift	40 years
Cladding	40 years



GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Depreciation And Impairment Of Other Fixed Assets

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

Office Premises	4%
Furniture and Fittings	20%
Computer Equipment	33%

The carrying value of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Social Housing Grant And Other Grants In Advance/Arrears

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

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

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

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

Sales Of Housing Properties

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

Disposals of housing property under the Right to Buy scheme are treated as a fixed asset disposal and any gain and loss on disposal accounted for in the Income and Expenditure Account.

Disposals under shared equity schemes are accounted for in the Income and Expenditure Account. The remaining equity in the property is treated as a fixed asset investment, which is matched with the grant received.

Retirement Benefits

Scottish Housing Association Pension Scheme

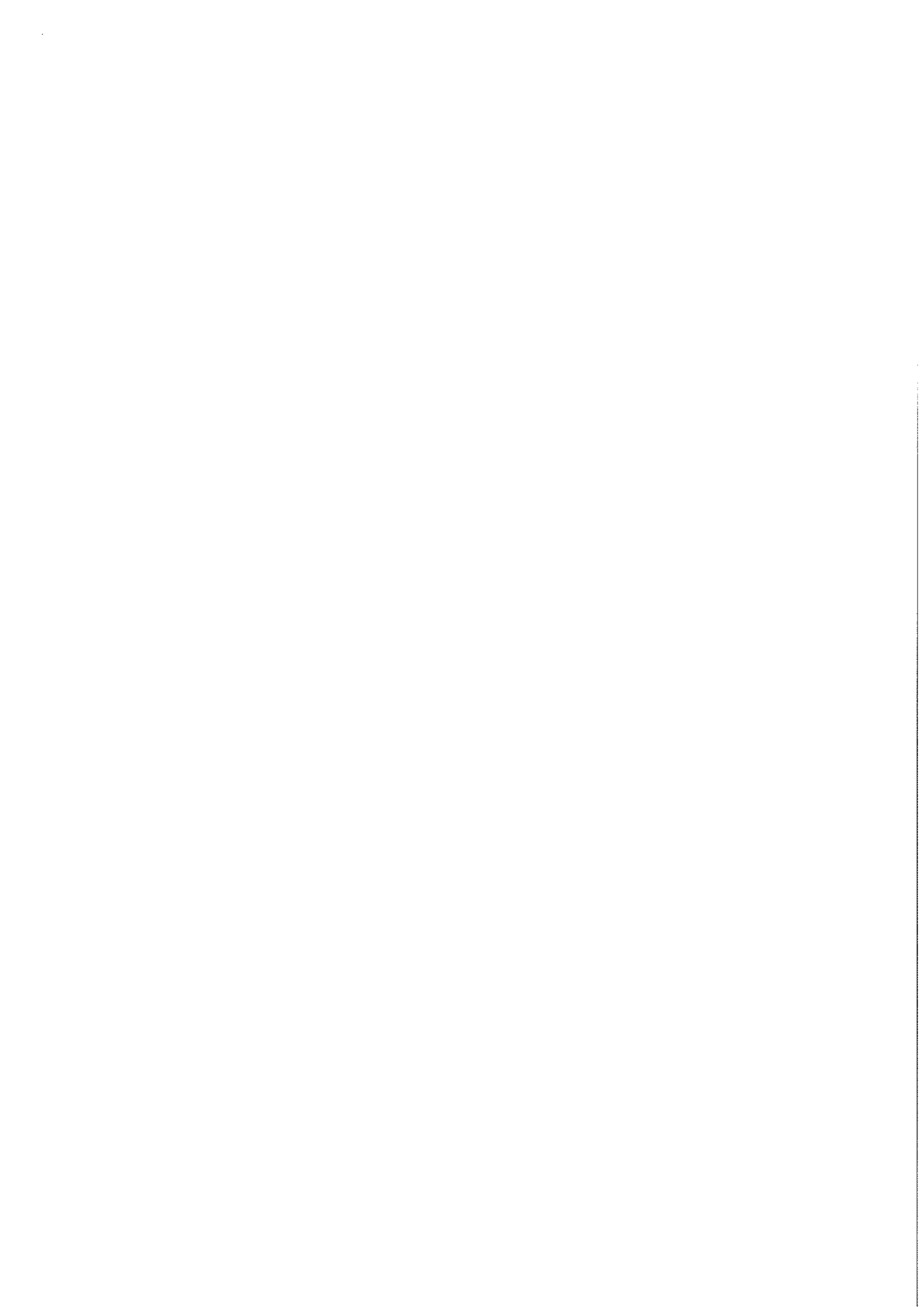
The Association participates in the Scottish Housing Associations' Defined Benefit Contribution Scheme and retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations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

Strathclyde Pension Scheme

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

The expected cost to the Association of pensions is charged to Income so as to spread the cost of pensions over the service lives of the employees in the scheme taken as a whole.

The difference between the fair value of the assets held in the Associations' defined benefit pension scheme and the scheme's liabilities, measured on an actuarial basis using the projected unit method, are recognised in the Associations' balance sheet as a pension scheme liability/asset as appropriate.



GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Leases/Leased Assets

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

Works to Existing Properties

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

Capitalisation Of Development Overheads

Directly attributable development administration costs relating to development activities are capitalised in accordance with the Statement of Recommended Practice.

Development Interest

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

Designated Reserves

The Association has designated part of its reserves to meet its long term obligations.

The Pension Liability Reserve has been designated to recognise the past service deficit liability that will be incorporated into the accounts next year under FRS102.

The Cyclical Maintenance Reserve has been designated to meet future repair and maintenance obligations which are cyclical in nature. These are carried out in accordance with a planned programme of works.

The Major Repairs Reserve is based on the Association's liability to maintain housing properties in a state of repair which at least maintains their residual values in prices prevailing at the time of acquisition and construction.

Service Charge Sinking Funds

The Association receive a service charge from owner occupiers to fund future planned maintenance, cyclical maintenance and car park costs. In accordance with the Statement of Recommended Practice the balance of unspent service income is included as a liability where amounts are repayable or contributions are reduced.

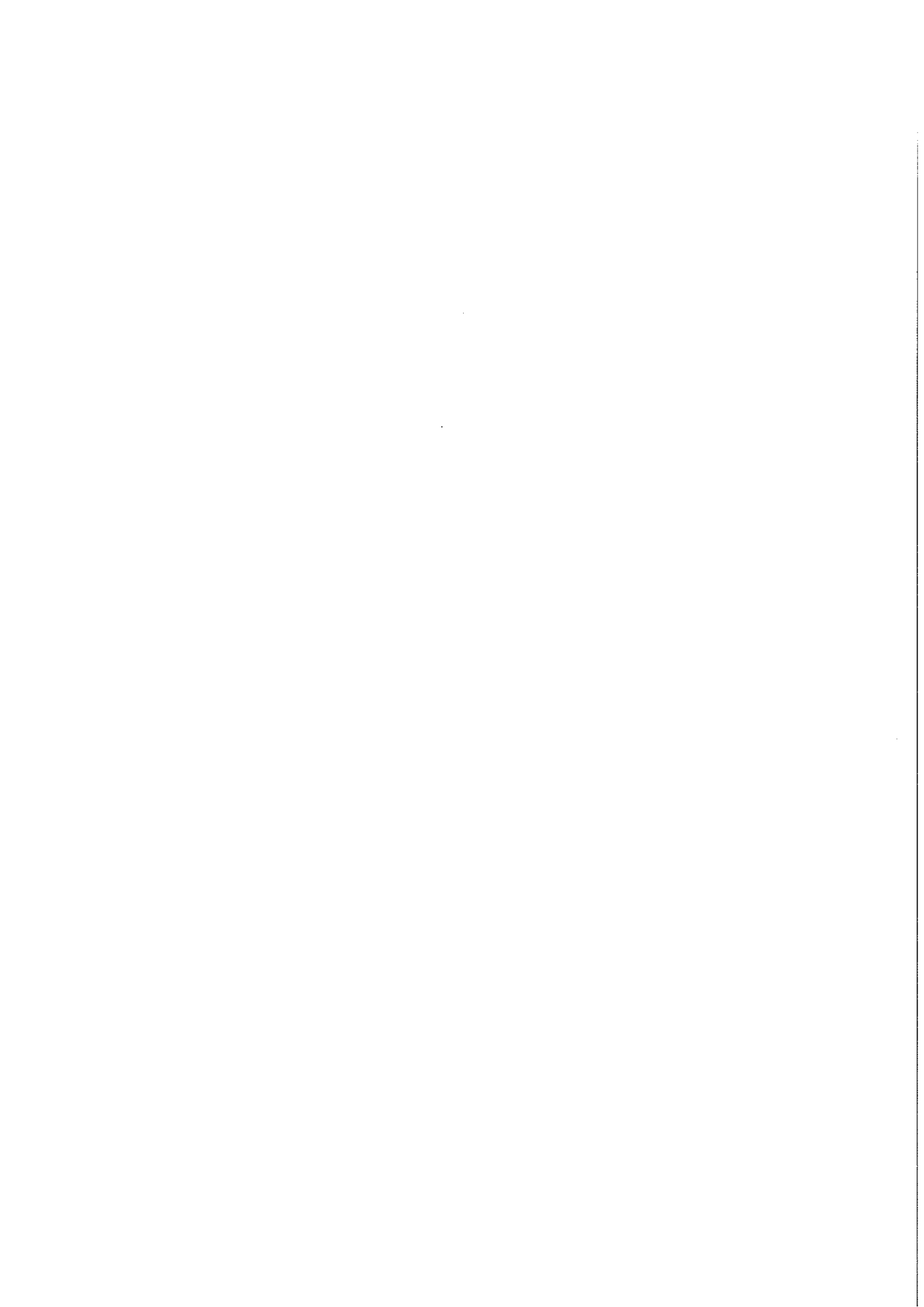
Property Development Cost

The proportion of the development cost of shared ownership properties expected to be disposed of as a first tranche sale is held in current assets until it is disposed of. The remaining part of the development cost is treated as a fixed asset. Surpluses made on the disposal of first tranche sales are taken to the Income and Expenditure Account in accordance with the Statement of Recommended Practice.

Property developments that are intended for resale are included in current assets until disposal.

Negative Goodwill

Negative goodwill created through transfer of engagements is written off to the Income and Expenditure account as the non-cash assets acquired are depreciated or sold. Negative goodwill arising in non exchange transactions is written off to the Income and Expenditure account in the year of the transaction.



GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Notes	2015			2014		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Social Lettings	3.	5,851,224	4,476,853	1,374,371	5,681,978	4,039,961	1,642,017
Other Activities	4.	169,534	155,229	14,305	199,827	141,630	58,197
Total		6,020,758	4,632,082	1,388,676	5,881,805	4,181,591	1,700,214

3. PARTICULARS OF INCOME & EXPENDITURE FROM SOCIAL LETTINGS

	General			2015 Total £	2014 Total £
	Needs Housing £	Supported Housing £	Shared ownership £		
Income from Lettings					
Rent Receivable Net of Identifiable Service Charges	5,739,566	-	9,643	5,749,209	5,555,545
Service Charges Receivable	165,710	-	-	165,710	212,248
Gross Rents Receivable	5,905,276	-	9,643	5,914,919	5,767,793
Less: Rent losses from voids	63,695	-	-	63,695	85,815
Net Rents Receivable	5,841,581	-	9,643	5,851,224	5,681,978
Revenue Grants from Scottish Ministers	-	-	-	-	-
Revenue Grants From Local Authorities and Other Agencies	-	-	-	-	-
Total Income From Social Letting	5,841,581	-	9,643	5,851,224	5,681,978
Expenditure on Social Letting Activities					
Service Costs	291,133	-	-	291,133	298,638
Management and maintenance administration costs	2,442,893	-	-	2,442,893	2,332,408
Reactive Maintenance	696,425	-	-	696,425	807,577
Bad Debts - Rents and Service Charges	59,772	-	-	59,772	(40,714)
Planned and Cyclical Maintenance, including Major Repairs	683,966	-	-	683,966	386,053
Depreciation of Social Housing	300,866	-	1,798	302,664	255,999
Operating Costs of Social Letting	4,475,055	-	1,798	4,476,853	4,039,961
Operating Surplus on Social Letting Activities	1,366,526	-	7,845	1,374,371	1,642,017
2014	1,634,565	-	7,452		

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Grants From Scottish Ministers	Other Revenue Grants	Supporting People Income	Other Income	Total Turnover	Operating Costs Bad Debts	Operating Costs Other	Operating Surplus (Deficit) 2015	Operating Surplus (Deficit) 2014
	£	£	£	£	£	£	£	£	£
Factoring	-	-	-	9,112	9,112	-	9,307	(195)	16,597
Development and construction of property activities	1,105	-	-	-	1,105	-	33,178	(32,073)	(10,646)
Other Income	-	-	-	23,438	23,438	-	-	23,438	19,409
Services - Other Owners	-	-	-	99,774	99,774	-	99,774	-	-
Commercial Units	-	-	-	36,105	36,105	-	12,970	23,135	32,837
Total From Other Activities	1,105	-	-	168,429	169,534	-	155,229	14,305	58,197
2014	2,509	-	-	197,318	199,827	-	141,630	58,197	

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

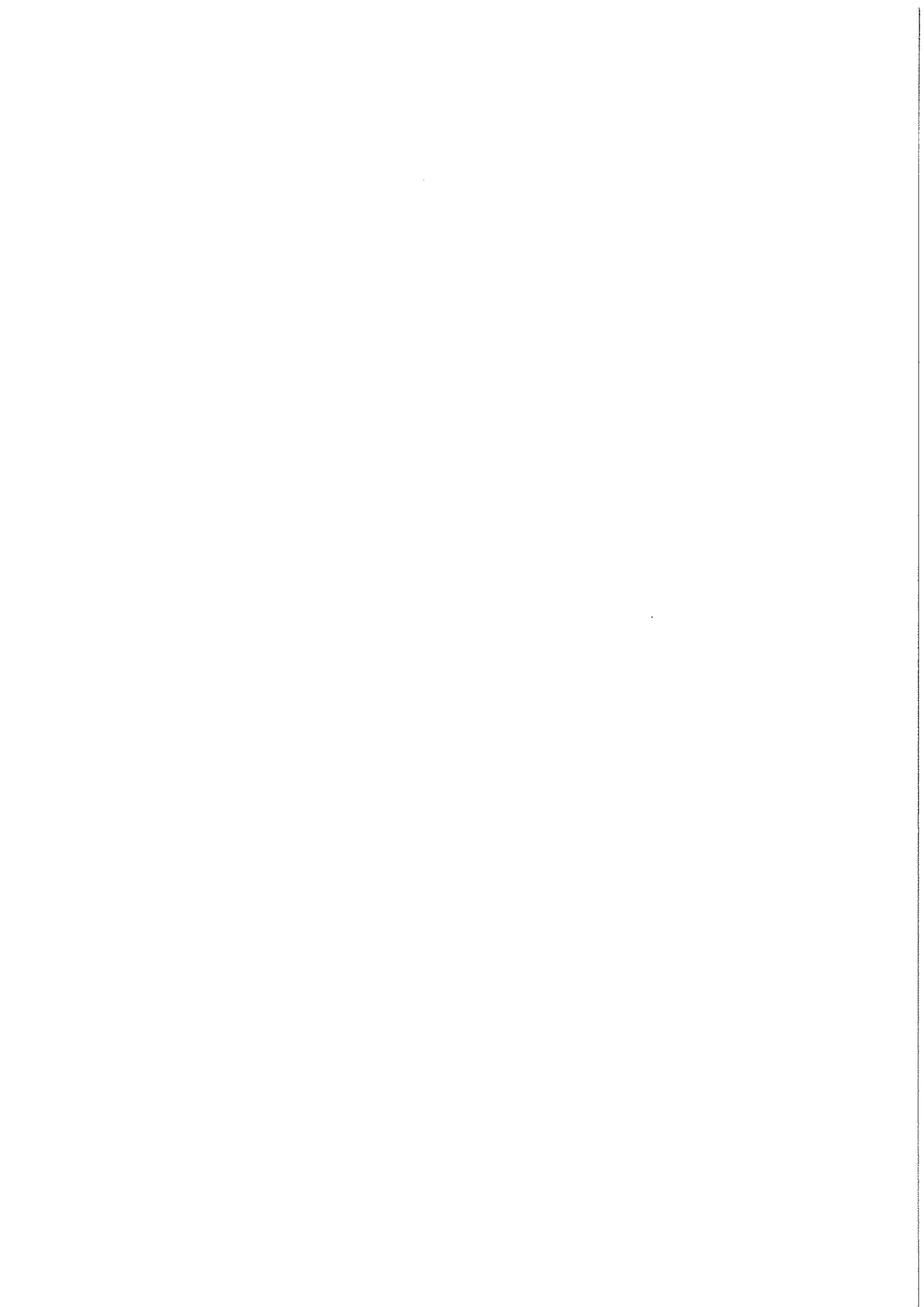
	2015	2014
	£	£
The Officers are defined in s146 of the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers or servants of the Association		
Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)	<u>72,048</u>	<u>197,403</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>7,993</u>	<u>18,770</u>
Emoluments payable to Chief Executive (excluding pension contributions)	<u>72,048</u>	<u>75,651</u>

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

	Number	Number
£60,001 to £70,000	-	2
£70,001 to £80,000	1	1

6. EMPLOYEE INFORMATION

	2015	2014
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	<u>47</u>	<u>50</u>
Staff Costs were:	£	£
Wages and Salaries	1,606,832	1,565,568
Social Security Costs	126,029	136,696
Other Pension Costs	285,382	187,067
Temporary, Agency and Seconded Staff	36,235	110,894
	<u>2,054,478</u>	<u>2,000,225</u>



GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. GAIN ON SALE OF HOUSING STOCK

	2015	2014
	£	£
Sales Proceeds	1,509,933	30,060
Cost of Sales	<u>808,937</u>	<u>20,651</u>
Gain On Sale Of Housing Stock	<u>700,996</u>	<u>9,409</u>

8. INTEREST PAYABLE

	2015	2014
	£	£
On Bank Loans & Overdrafts	<u>46,766</u>	<u>64,944</u>

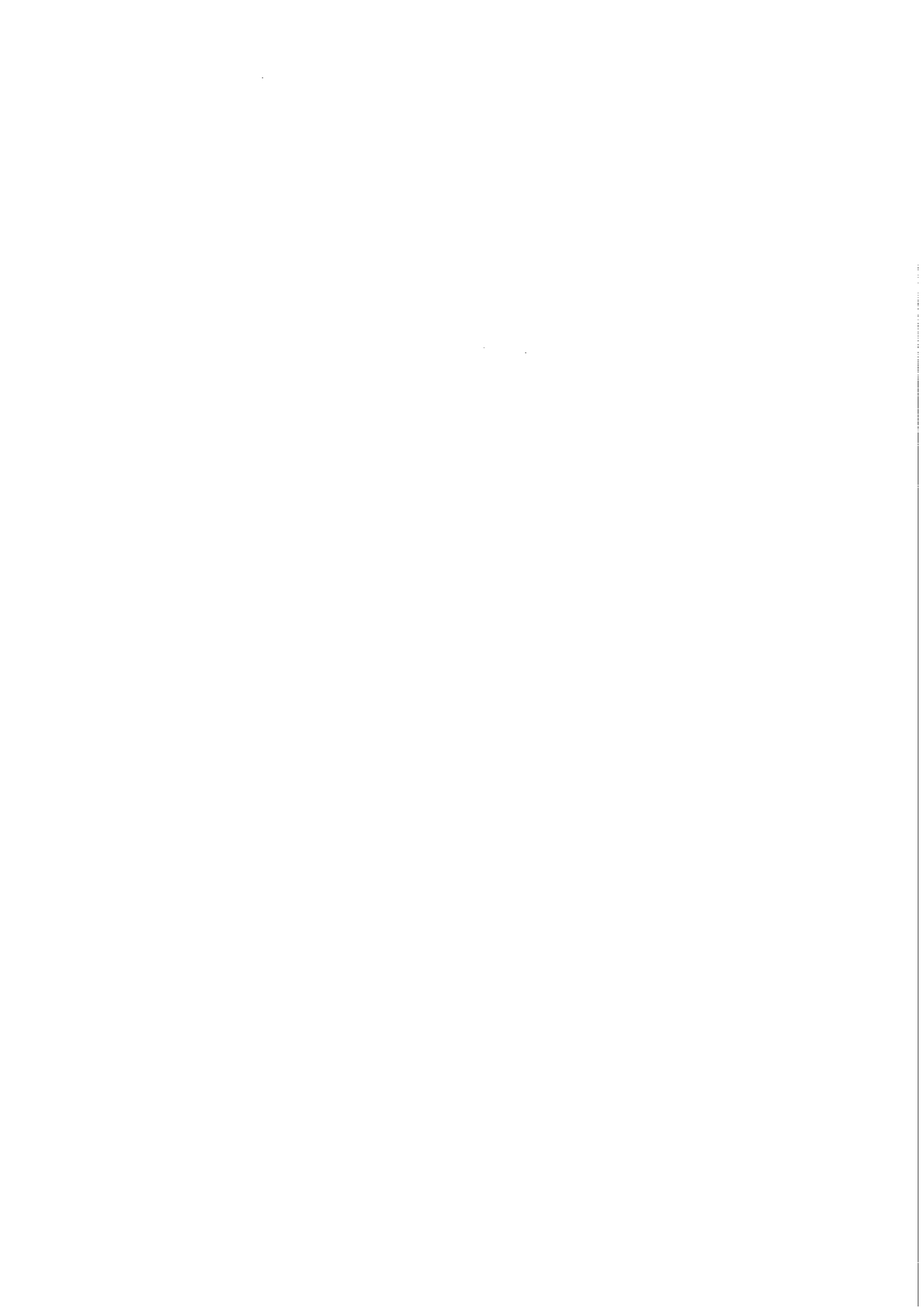
Interest incurred in the development period of housing properties which has been written off to the income and expenditure account amounted to £0 (2014 £0).

9. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2015	2014
	£	£
Surplus on Ordinary Activities before Taxation is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	350,464	288,742
Auditors' Remuneration - Audit Services	11,520	10,980
- Other Services	<u>1,152</u>	<u>-</u>

10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

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



GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. TANGIBLE FIXED ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Completed Shared Ownership Properties £	Shared Ownership In course of Construction £	Total £
COST					
As at 1st April 2014	56,061,238	370,868	285,491	-	56,717,597
Additions	243,703	64,998	-	-	308,701
Disposals	(719,114)	(18,663)	(103,090)	-	(840,867)
Schemes Completed	-	-	-	-	-
As at 31st March 2015	55,585,827	417,203	182,401	-	56,185,431
DEPRECIATION					
As at 1st April 2014	2,922,485	-	19,508	-	2,941,993
Charge for Year	300,866	-	1,798	-	302,664
Disposals	(5,702)	-	(9,128)	-	(14,830)
As at 31st March 2015	3,217,649	-	12,178	-	3,229,827
SOCIAL HOUSING GRANT					
As at 1st April 2014	45,400,612	144,706	157,826	-	45,703,144
Additions	-	-	-	-	-
Disposals	(679,378)	-	(43,356)	-	(722,734)
Schemes Completed	-	-	-	-	-
As at 31st March 2015	44,721,234	144,706	114,470	-	44,980,410
OTHER CAPITAL GRANTS					
As at 1st April 2014	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Schemes Completed	-	-	-	-	-
As at 31st March 2015	-	-	-	-	-
NET BOOK VALUE					
As at 31st March 2015	7,646,944	272,497	55,753	-	7,975,194
As at 31st March 2014	7,738,141	226,162	108,157	-	8,072,460

Additions to housing properties includes capitalised development administration costs of £nil (2014 - £nil) and capitalised major repair costs to existing properties of £243,303 (2014 £62,415)

All land and housing properties are freehold.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. TANGIBLE FIXED ASSETS (Continued)

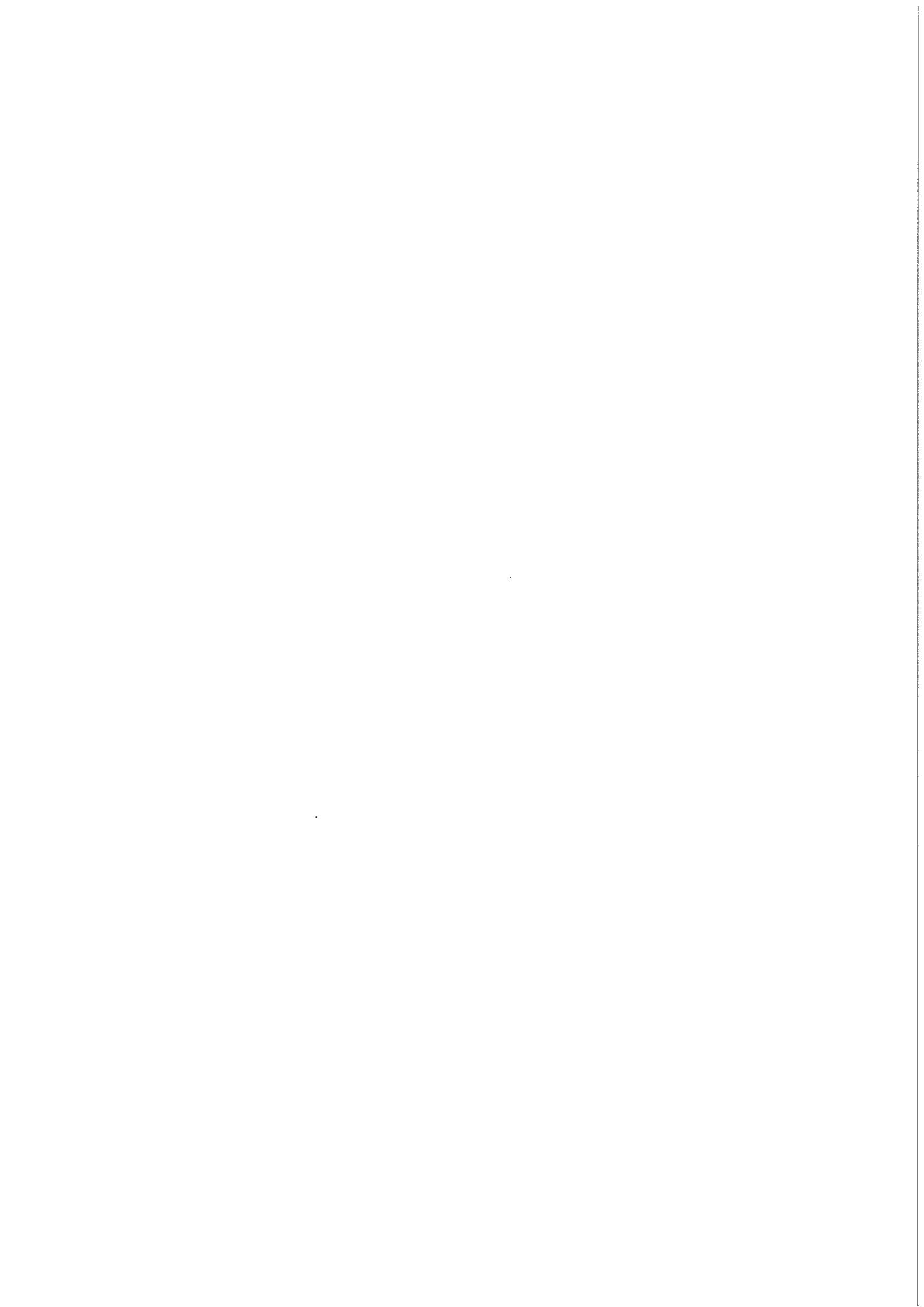
b) Other Tangible Assets

	Commercial Premises £	Office Premises £	Furniture & Equipment £	Total £
COST				
As at 1st April 2014	195,158	512,423	33,668	741,249
Additions	-	-	17,738	17,738
Eliminated on Disposals	-	-	-	-
As at 31st March 2015	<u>195,158</u>	<u>512,423</u>	<u>51,406</u>	<u>758,987</u>
GRANTS RECEIVED				
As at 1st April 2014	-	98,358	-	98,358
Received in year	-	-	-	-
Repaid on Disposal	-	-	-	-
As at 31st March 2015	<u>-</u>	<u>98,358</u>	<u>-</u>	<u>98,358</u>
AGGREGATE DEPRECIATION				
As at 1st April 2014	129,943	232,488	25,475	387,906
Charge for year	7,806	16,563	9,069	33,438
Eliminated on disposal	-	-	-	-
As at 31st March 2015	<u>137,749</u>	<u>249,051</u>	<u>34,544</u>	<u>421,344</u>
NET BOOK VALUE				
As at 31st March 2015	<u>57,409</u>	<u>165,014</u>	<u>16,862</u>	<u>239,285</u>
As at 31st March 2014	<u>65,215</u>	<u>181,577</u>	<u>8,193</u>	<u>254,985</u>

12. CAPITAL COMMITMENTS

	2015 £	2014 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	<u>2,987,203</u>	<u>-</u>

The above commitments will be financed by a mixture of public grant, private finance and the Association's own resources.



GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. DEBTORS

	2015	2014
	£	£
Arrears of Rent & Service Charges	142,077	262,123
Less: Provision for Doubtful Debts	(102,747)	(169,954)
	<u>39,330</u>	<u>92,169</u>
Social Housing Grant Receivable	-	1,009,890
Other Debtors	259,492	203,973
Amounts Due from Group Undertakings	20,130	-
	<u>318,952</u>	<u>1,306,032</u>

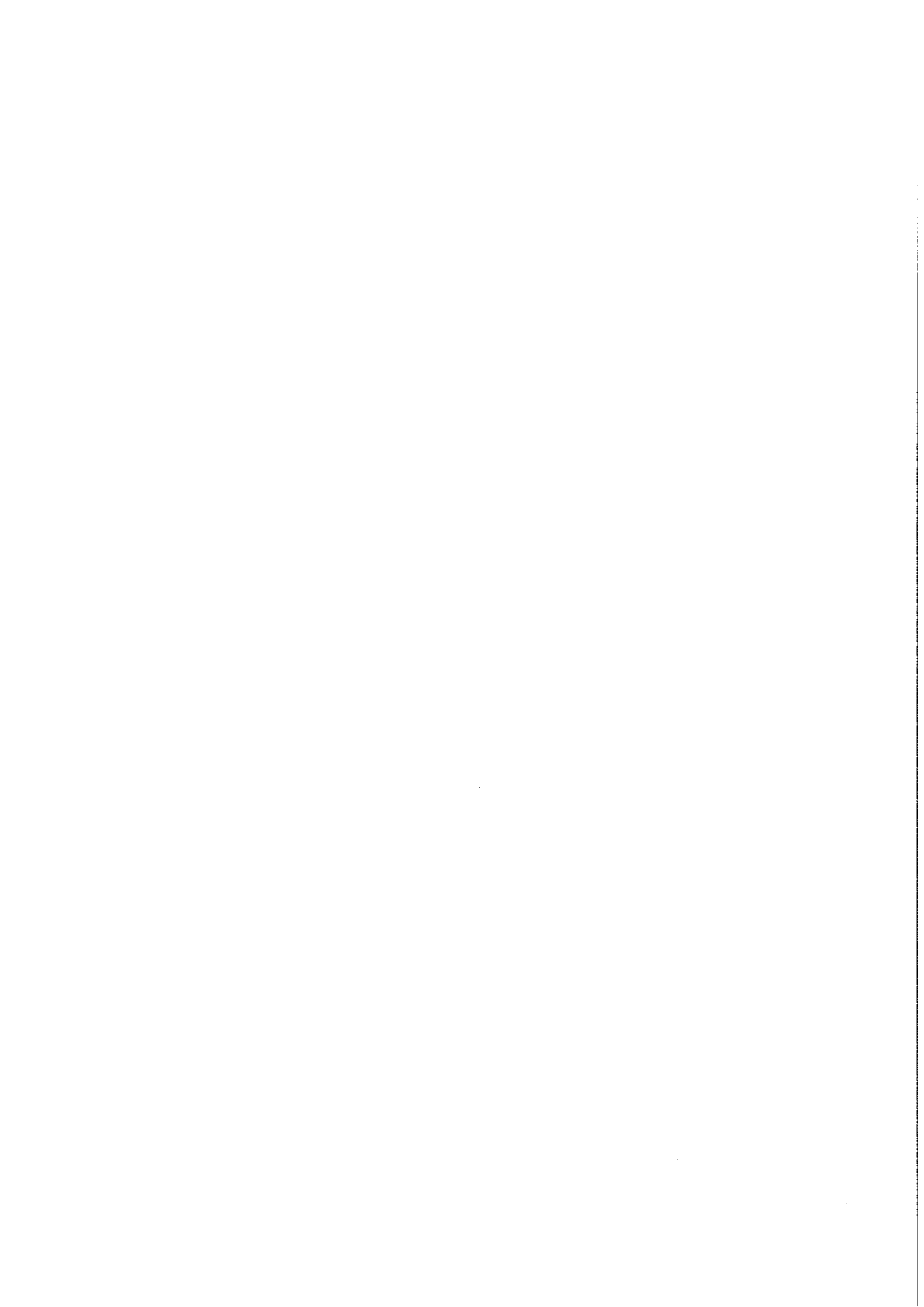
14. CREDITORS: Amounts falling due within one year

	2015	2014
	£	£
Housing Loans	157,029	595,035
Trade Creditors	248,776	203,210
Rent in Advance	487,288	414,534
Social Housing Grant in Advance	-	103,505
Other Taxation and Social Security	36,803	73,815
Amounts Due to Group Undertakings	-	7,776
Other Creditors	116,955	117,849
Accruals and Deferred Income	824,641	68,221
	<u>1,871,492</u>	<u>1,583,945</u>

At the balance sheet date there were pension contributions outstanding of £27,707 (2014 £20,398)

15. CREDITORS: Amounts falling due after more than one year

	2015	2014
	£	£
Housing Loans	<u>2,713,458</u>	<u>2,872,443</u>
Housing Loans are secured by specific charges on the Association's housing properties and are repayable at varying rates of interest in instalments, due as follows:-		
Within one year	157,029	595,035
Between one and two years	157,026	156,994
Between two and five years	471,080	470,980
In five years or more	2,085,352	2,244,469
	<u>2,870,487</u>	<u>3,467,478</u>
Less: Amount shown in Current Liabilities	157,029	595,035
	<u>2,713,458</u>	<u>2,872,443</u>



GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

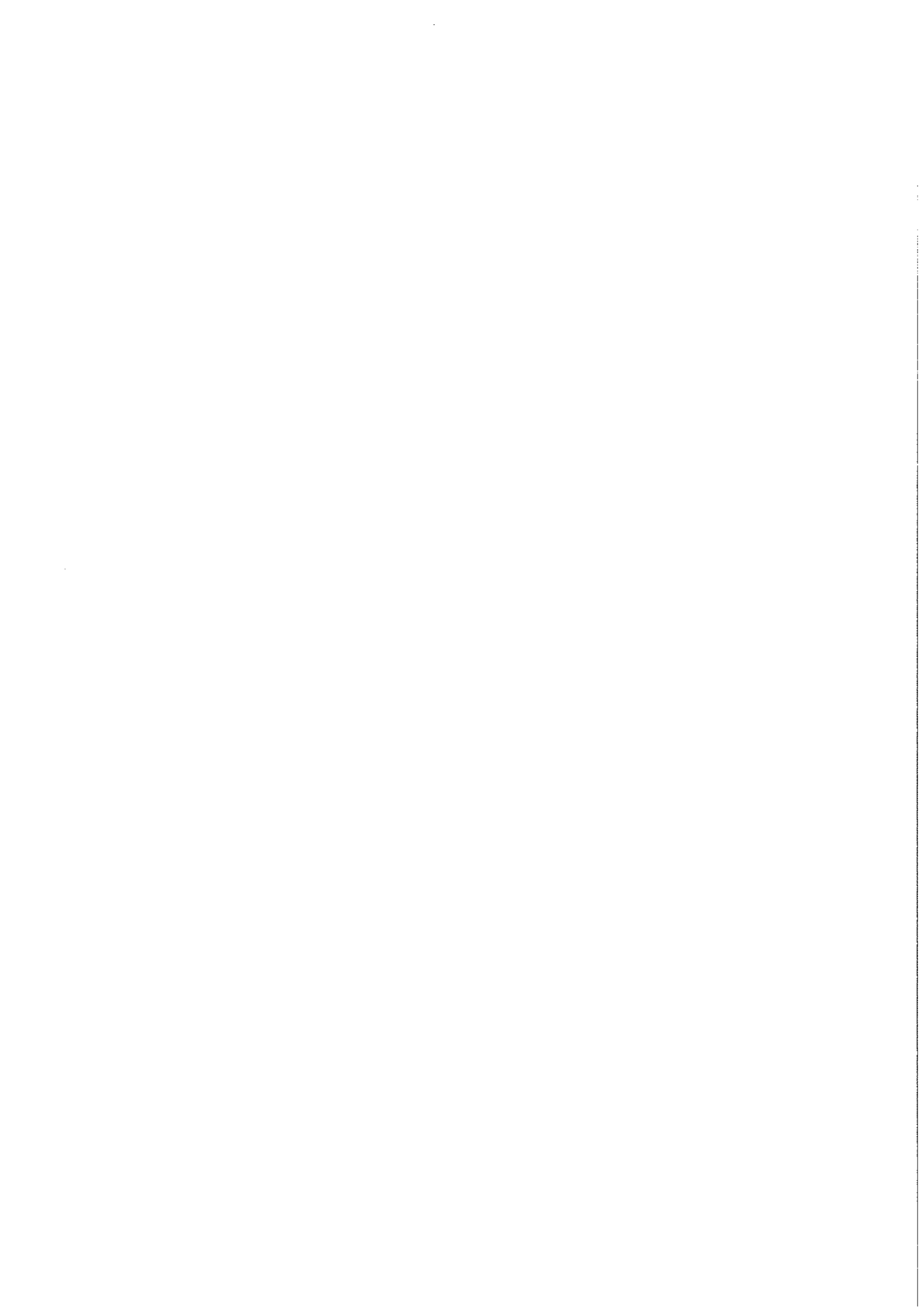
NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. CASH FLOW STATEMENT

<i>Reconciliation of operating surplus to net cash inflow from operating activities</i>	2015 £	2014 £
Operating Surplus	1,388,676	1,700,214
Depreciation	350,464	282,857
Change in properties developed for resale	-	114,225
Change in Debtors	(25,590)	163,230
Change in Creditors	152,484	(95,397)
Contributions payable to Defined Benefit Scheme (Strathclyde)	(67,000)	(71,000)
Service Costs on Defined Benefit Scheme (Strathclyde)	81,000	77,000
Net Cash Inflow from Operating Activities	1,880,034	2,171,129

<i>Reconciliation of net cash flow to movement in net debt</i>	2015 £	£	2014 £	£
Decrease in Cash	(618,924)		(2,232,600)	
Cash flow from management of liquid resources	4,130,000		4,370,000	
Cash flow from change in debt	596,991		230,735	
Movement in net debt during year	4,108,067		2,368,135	
Net debt at 1st April 2014		13,556,165		11,188,030
Net debt at 31st March 2015		17,664,232		13,556,165

<i>Analysis of changes in net debt</i>	At 01.04.14 £	Cash Flows £	Other Changes £	At 31.03.15 £
Cash at bank and in hand	1,653,643	(618,924)		1,034,719
Liquid Resources	15,370,000	4,130,000		19,500,000
Debt: Due within one year	(595,035)	595,035	(157,029)	(157,029)
Due after more than one year	(2,872,443)	1,956	157,029	(2,713,458)
Net Debt	13,556,165	4,108,067	-	17,664,232



GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2014	928
Issued in year	7
Cancelled in year	-
	<u>935</u>
At 31st March 2015	<u>935</u>

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

18. RESERVES

(a) Designated Reserves

	Pension Liability £	Furniture Replacement £	Cyclical Maintenance £	Major Repairs £	Total £
At 1st April 2014	-	436,660	641,564	16,697,429	17,775,653
Revenue Reserve transfer	1,694,000	-	252,038	2,291,789	4,237,827
At 31st March 2015	<u>1,694,000</u>	<u>436,660</u>	<u>893,602</u>	<u>18,989,218</u>	<u>22,013,480</u>

(b) Revenue Reserves

	Total £
At 1st April 2014	4,424,152
Surplus for the year	2,282,461
Transfer (to) / from Designated Reserves	(4,237,827)
At 31st March 2015	<u>2,468,786</u>

(c) Pension Reserves (Strathclyde Pension)

At 1st April 2014	(139,000)
Actuarial loss in the year	(320,000)
Transfer (to) / from Revenue Reserves	-
At 31st March 2015	<u>(459,000)</u>

19. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2015	2014
	No.	No.
General Needs - New Build	228	228
- Rehabilitation	1,271	1,296
Shared Ownership	3	5
	<u>1,502</u>	<u>1,529</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. RELATED PARTY TRANSACTIONS

Members of the Committee of Management are related parties of the Association as defined by Financial Reporting Standard 8.

The related party relationships of the members of the Committee of Management is summarised as follows:

- 5 members are tenants of the Association
- 1 member is a factored owner

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

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

21. FIXED ASSET INVESTMENT

	2015 £	2014 £
Shared Equity Properties		
Development Cost of Shared Equity Property	518,462	518,462
Less: Grants Receivable	518,462	518,462
	<u>-</u>	<u>-</u>
Investments in Subsidiaries		
As at 31st March 2015 & 31st March 2014	<u>1</u>	<u>1</u>

In the opinion of the Committee of Management the aggregate value of the assets of the subsidiary is not less than the aggregate of the amounts at which those assets are stated in the Association's balance sheet.

The Association has a 100% owned subsidiary Glasgow West Enterprise Ltd. The relationship between the Association and its subsidiary is set out in an independence agreement between both parties.

The following transactions took place between the entities during the year: GWAH received management fees of £99,774 from Glasgow West Enterprises (GWEN), GWEN collected factoring receipts on behalf of GWAH totalling £7,653. At the year end £20,130 (2014 - £7,776 receivable) was payable by GWEN.

The aggregate amount of capital and reserves and the results of Glasgow West Enterprise Ltd for the year ended 31st March 2015 were as follows:

	2015 £	2014 £
Capital & Reserves	<u>(12,868)</u>	<u>(17,065)</u>
Profit for the year	<u>4,197</u>	<u>(7,867)</u>

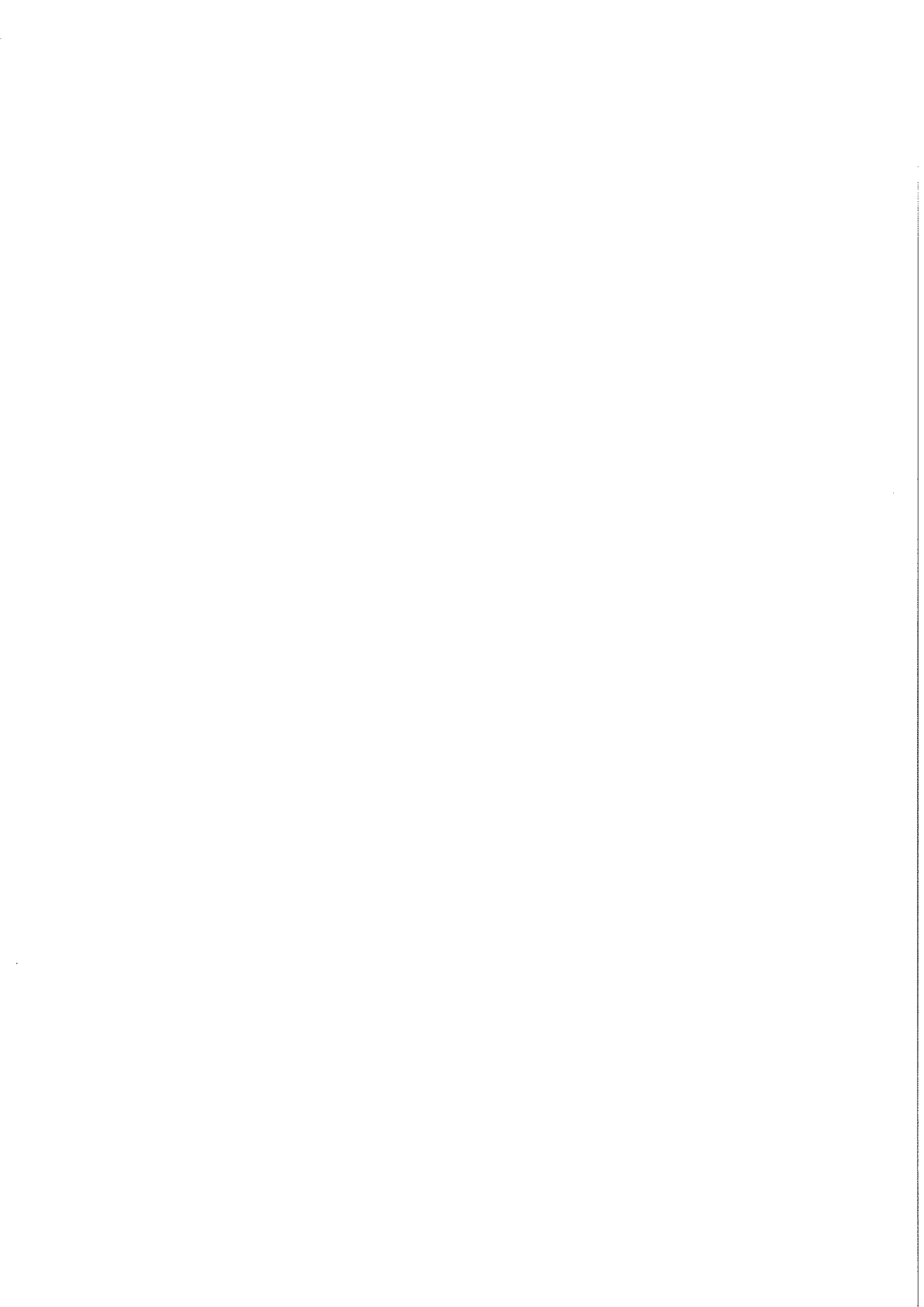
GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. CURRENT ASSET INVESTMENTS

	2015	2014
	£	£
Short Term Deposits	19,500,000	15,370,000



GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. RETIREMENT BENEFIT OBLIGATIONS

General

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

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

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 scheme

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. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

Glasgow West Housing Association has elected to operate the CARE 1/60th scheme for existing staff at 1 April 2014. Any staff joining after that date will be in the defined contribution scheme.

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 actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market values. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period Glasgow West Housing Association Limited paid contributions into the CARE 1/60th scheme at the rate of 11.2% of pensionable salaries. Member contributions were also 11.2%. For the defined contribution scheme the employer and employee contributions were 6% and 3% respectively.

As at the balance sheet date there were 17 active members of the Scheme employed by Glasgow West Housing Association Limited. The annual pensionable payroll in respect of these members was £661,339. Glasgow West Housing Association Limited continues to offer membership of the Scheme to its employees.

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

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. RETIREMENT BENEFIT OBLIGATIONS (Continued)

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

Financial Assumptions

The key financial assumptions underlying the valuation as at 30th September 2012 were as follows:

	% p.a.
- 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 price inflation:	
RPI	2.6
CPI	2.0

The valuation was carried out using the SAPS (S1PA) All pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement for non-pensioners and pensioners. The table below illustrates the assumed life expectancy in years for pension scheme members at age 65 using these mortality assumptions:

	<i>Males</i>	<i>Females</i>
	<i>Assumed life expectancy in years at age 65</i>	<i>Assumed life expectancy in years at age 65</i>
Non-pensioners	18.1	20.6
Pensioners	18.1	20.6

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. RETIREMENT BENEFIT OBLIGATIONS (Continued)

Valuation Results

The long-term joint contribution rates required from employers and members to meet the cost of future benefit accrual were assessed as:

<i>Benefit Structure</i>	<i>Long-term joint contribution rate (% of pensionable salaries)</i>
Final salary - 60ths	24.6
Career average 60ths	22.4
Career average 70ths	19.2
Career average 80ths	16.9
Career average 120ths	11.4

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Trustees have recently supplied Glasgow West Housing Association Limited with an updated contribution figure to the past service deficit. From 1 April 2014 Glasgow West Housing Association Limited will be required to pay £136,818 per annum as a contribution to the past service deficit. The deficit contribution will increase each April by 3%.

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

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

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

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. RETIREMENT BENEFIT OBLIGATIONS (Continued)

Defined Benefit Scheme

The Association operates a defined benefit scheme as an admitted body under the Strathclyde Pension Fund, the assets of which are held in a separate trustee administered fund.

The administering authority has responsibility for the management of the Fund. As most of the Fund's investments are equity based, there is an inherent risk of volatility in the investment market having a significant effect on the value of the fund's assets. In order to mitigate this risk, the Fund holds a diverse investment portfolio with a range of investment managers.

At the balance sheet date, there were 10 active members of the scheme employed by the Association and 3 retired members. Total pension contributions made by the Association for the year were £67,000

The following figures are prepared by the Actuaries in accordance with their understanding of Financial Reporting Standard 17 - 'Retirement Benefits' (FRS 17) and Guidance Note 36: Accounting for Retirement Benefits under Financial Reporting Standard 17 issued by the Institute and Faculty of Actuaries. Gross pensionable salaries for the year were £275,000.

Principal Actuarial Assumptions

Financial Assumptions

Assumptions as at	2015 %p.a.	2014 %p.a.	2013 %p.a.
Pension increase rate	2.4	2.8	2.8
Salary increase rate	4.3	5.1	5.1
Expected return on assets	3.2	6.0	5.2
Discount rate	3.2	4.3	4.5

Asset Class

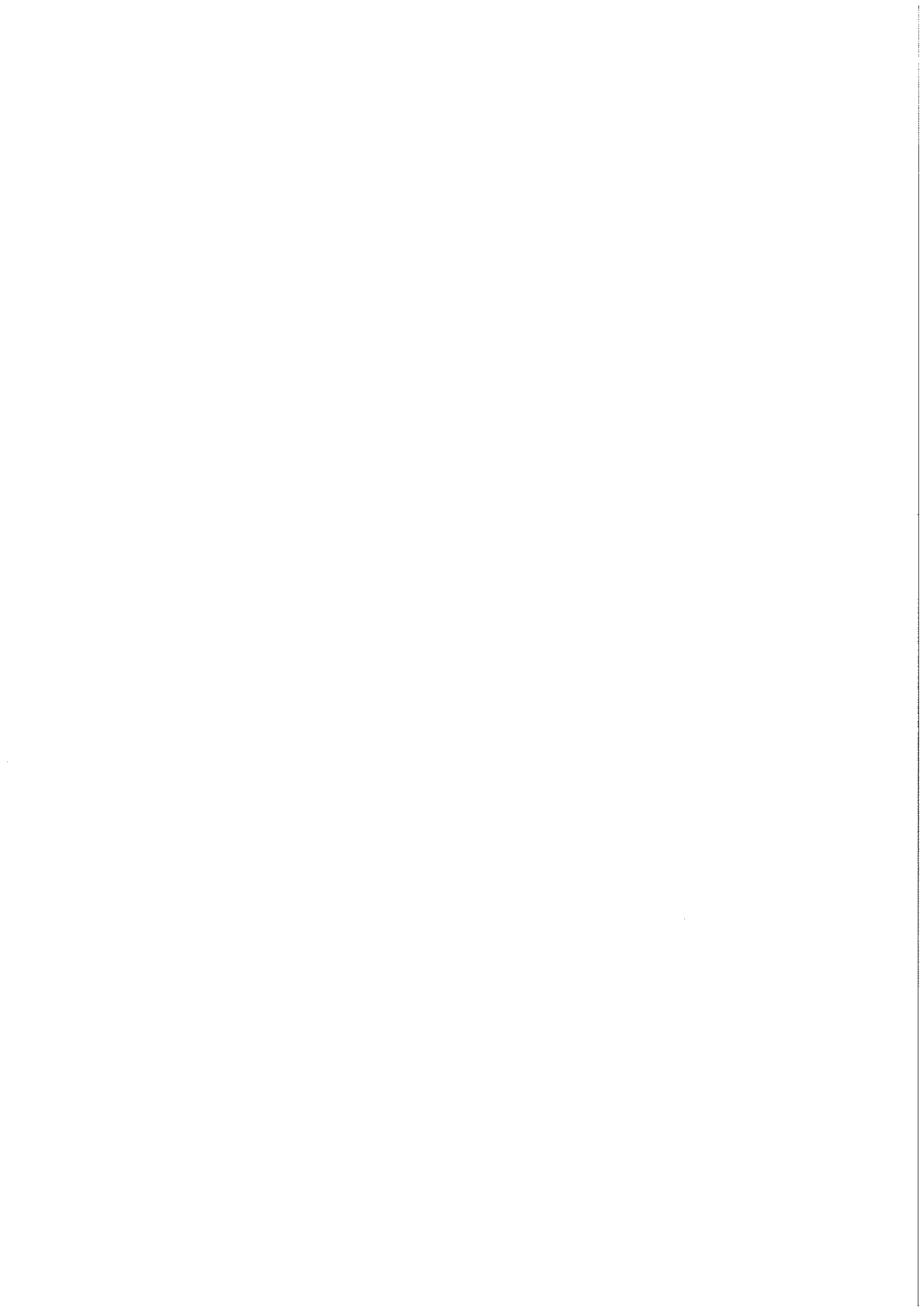
The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period as follows:

	2015 % p.a.	2014 % p.a.
Equities	3.2	6.6
Bonds	3.2	3.7
Property	3.2	4.8
Cash	3.2	3.7

Mortality Rates

Life expectancy is based on the PFA92 and PMA92 tables, with mortality improvements projected

	Males (Years)	Females (Years)
Current Pensioners	22.1 years	23.6 years
Future Pensioners	24.8 years	26.2 years



GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. RETIREMENT BENEFIT OBLIGATIONS

Fair value of scheme assets by category

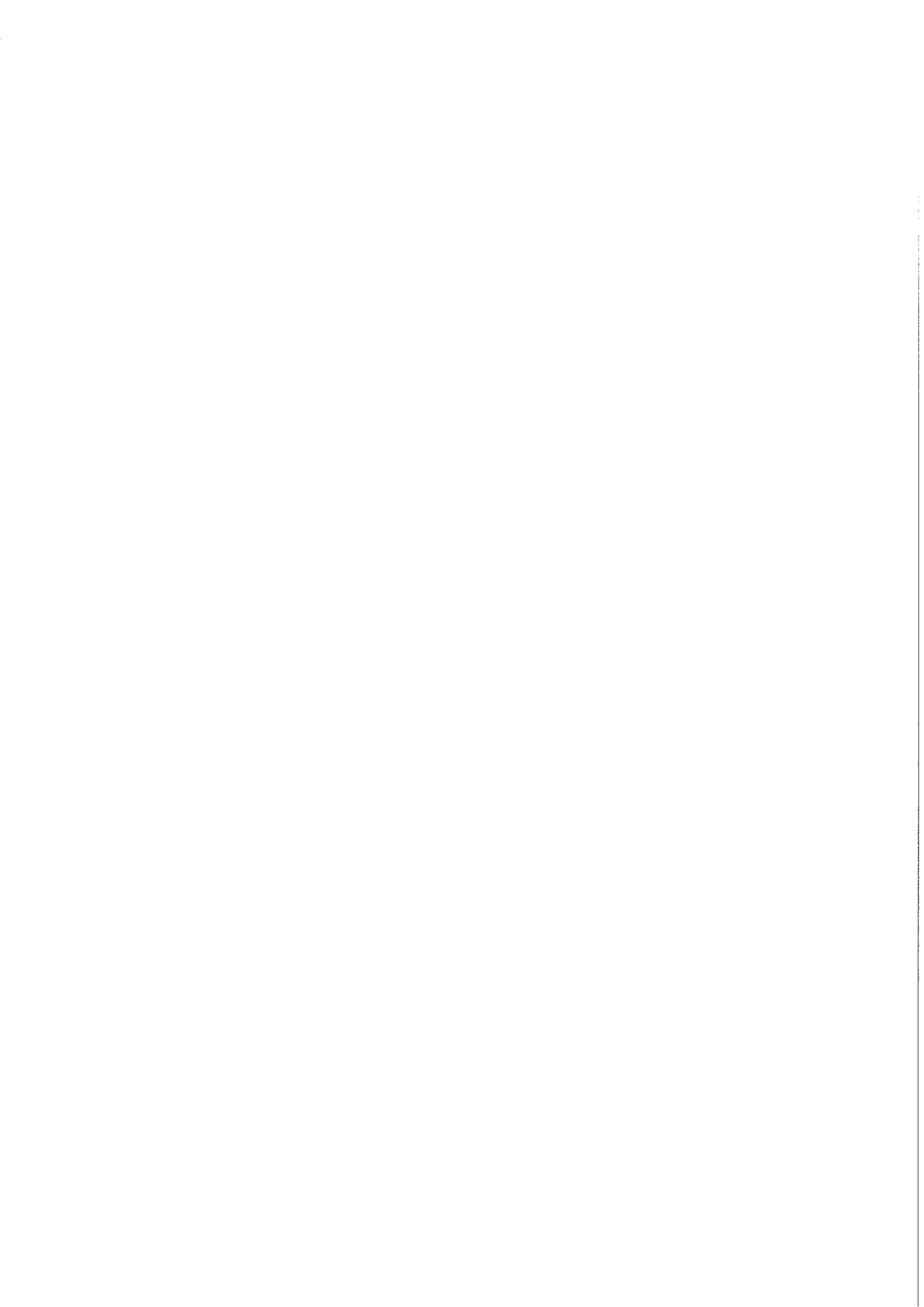
	2015	2014	2013
	£'000	£'000	£'000
Equities	1,285	1,007	888
Bonds	223	159	163
Property	189	93	82
Cash	17	66	35
	<u>1,714</u>	<u>1,325</u>	<u>1,168</u>

Net Pension (Liability)/Asset

	2015	2014	2013
	£'000	£'000	£'000
Fair value of employer's assets	1,714	1,325	1,168
Present value of scheme liabilities	2,173	(1,464)	(1,255)
Present value of unfunded liabilities	-	-	-
	<u>3,887</u>	<u>(139)</u>	<u>(87)</u>

Movement in year

	2015	2014	2013
	£'000	£'000	£'000
Pension scheme surplus at beginning of year	(139)	(87)	(32)
Current service cost	(81)	(77)	(55)
Employer contributions	67	71	68
Past service (cost)/gain	-	-	-
Net return on assets	-	5	8
Actuarial (losses)/gains	(322)	(51)	(76)
Net liabilities assumed in business combination	-	-	-
	<u>(475)</u>	<u>(139)</u>	<u>(87)</u>



GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

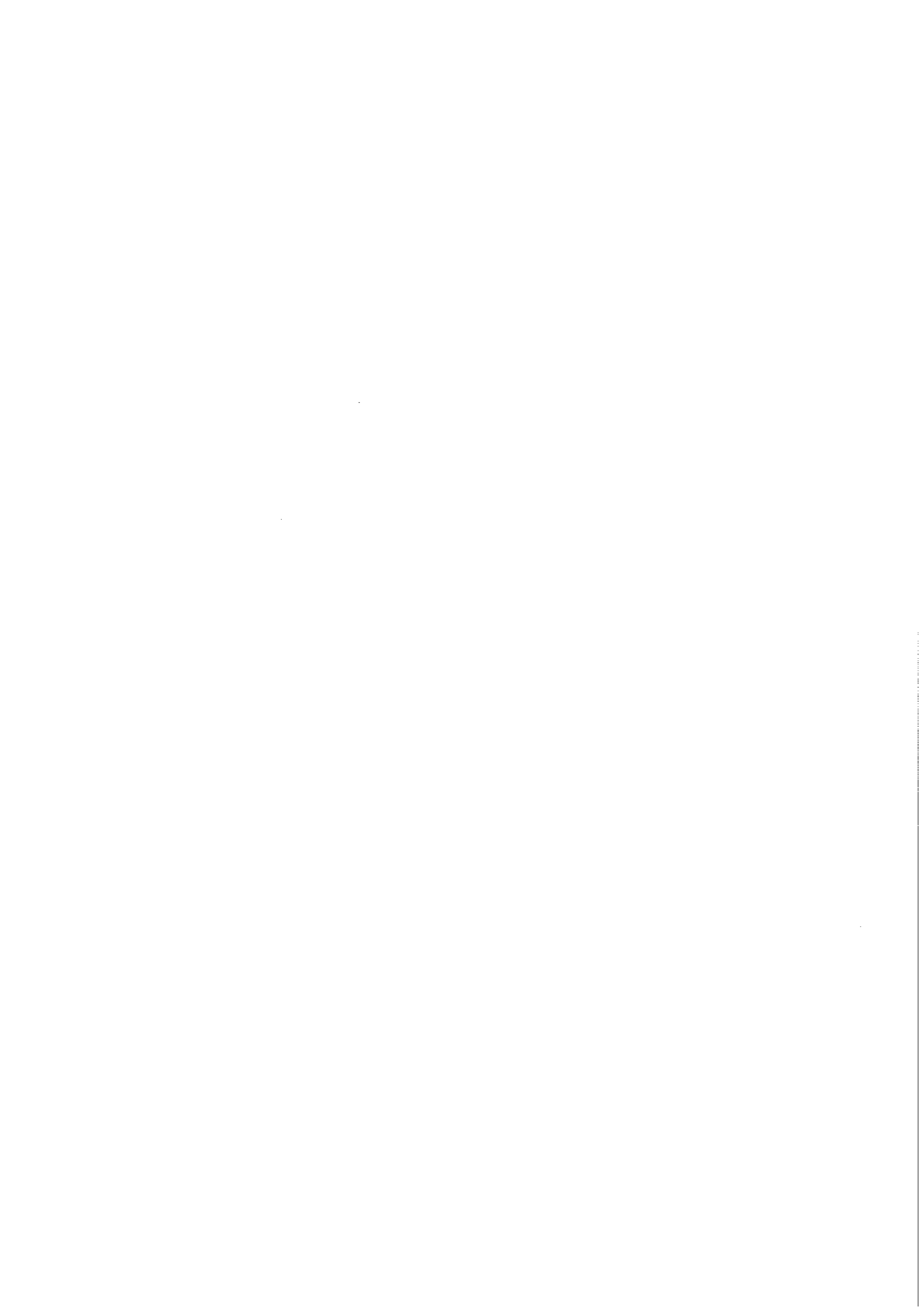
NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. RETIREMENT BENEFIT OBLIGATIONS

Analysis of amount charged to the Income and Expenditure Account

	2015 £'000	2014 £'000
Charged to operating costs:		
Service cost	81	77
Past service cost	-	-
	<u>81</u>	<u>77</u>
Charged to FRS 17 Valuation Other Finance Costs / (Income):		
Expected Return on employer assets	(81)	(63)
Interest on pension scheme liabilities	65	58
	<u>(16)</u>	<u>(5)</u>
Net Charge to the Income and Expenditure Account	<u>65</u>	<u>72</u>
Actual Return on Plan Assets	<u>178</u>	<u>81</u>

	2015 £'000	2014 £'000	2013 £'000
Fair value of employer assets	1,714	1,325	1,168
Present value of defined benefit obligations	(2,173)	(1,464)	(1,255)
Deficit	(459)	(139)	(87)
Experience (losses) on assets	241	19	90
Experience gains on liabilities	(239)	-	1



GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. RETIREMENT BENEFIT OBLIGATIONS

Actuarial (Loss) / Gain recognised in the Statement of Recognised Gains and Losses

	2015	2014	2013
	£'000	£'000	£'000
Actuarial gain recognised in year	(320)	(51)	(76)
Cumulative actuarial gains	(513)	(191)	(140)

Employment Data

	2015	2014	2013
	(Number)	(Number)	(Number)
Actives	10	10	11
Pensioners	3	3	2

Analysis of projected amount to be charged to the Income & Expenditure Account for the year ended 31 March 2016

	£'000	% of pay
Projected current service cost	97.0	33.2
Interest on obligation	71.0	24.2
Expected return on plan assets	(56.0)	(19.1)
Past service costs	-	-
Losses / (Gain) on curtailments and settlements	-	-
	<u>112</u>	<u>38.3</u>

