

Registered Social Landlord Number 311
Registered Charity Number SC028542
Registered Charitable Company Limited by Guarantee Number SC188299

HOMES FOR LIFE HOUSING PARTNERSHIP

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2017

HOMES FOR LIFE HOUSING PARTNERSHIP

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2017

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HOMES FOR LIFE HOUSING PARTNERSHIP

MEMBERS, EXECUTIVES and ADVISERS

Directors

Gregor Booth
Alan Brown
Jamila Greig (Chair)
Anthony James (appointed 28 September 2016)
Gordon Leitch (Vice Chair)
D Graeme MacGregor
Tania Orde
David Rose
Margo Shaw (resigned 7 April 2016)
Brenda Tonner
Carol Widdowson (appointed 30 June 2016)
Maureen Watt

Executive Officer

George Russell (Business Manager and Company Secretary)

Registered Office

Tolbooth Gate
57 Market Street
Haddington
East Lothian EH41 3JG

Bankers

The Royal Bank of Scotland plc
32 Court Street
Haddington EH41 3NS

Solicitors

H B J Gately (Corporate matters)
Exchange Tower
19 Canning Street
Edinburgh EH3 8EH

T C Young (Tenancy matters)
69a George Street
Edinburgh EH2 2JG

External Auditor

Scott Moncrieff
Chartered Accountants and Statutory Auditor
25 Bothwell Street
Glasgow G2 6NL

Internal Auditor

Wylie & Bisset LLP
168 Bath Street
Glasgow G2 4TP

HOMES FOR LIFE HOUSING PARTNERSHIP

STRATEGIC REPORT

For the year ended 31 March 2017

The Directors present their Strategic Report of the Board of Directors and the audited financial statements for the year ended 31 March 2017.

Principal activities

The Company's principal activity during the year was the provision, improvement and management of housing for persons in necessitous circumstances in East Lothian.

Review of business

Over the year, the Company continued to focus on mitigating the impact of Welfare Reform, including local early 'Full Implementation' of Universal Credit within East Lothian, as well as compliance with the Social Housing Charter, Good Governance, and other regulatory requirements.

Internal Audit for this year focused on Purchases & Procurement, Risk Management, and Data Protection, as well as follow-up from the previous year's audit. All three areas were assessed as 'Substantial Assurance'. There were no new High Risk recommendations. At the time of the audit, during the third quarter, two High Risk recommendations from the previous year had yet to be implemented- one for planned and one for reactive maintenance. Implementation of both was subsequently prioritised and progressed- with recruitment of a Maintenance Officer from Jan 2017, and a change in reactive maintenance contractor from May 2017.

Planned maintenance completed during 2016/17 included kitchen unit replacements for two developments, and gas boiler replacements for one development, as well as periodic electrical testing and related remedial works to two developments. Due to unforeseen contractor capacity constraints, first shower installs for two developments could not be completed in the fourth quarter as planned, and had to be carried over. A much larger programme is planned for 2017/18, including maintenance painterwork for 8 developments; electrical testing for 6 developments; kitchen replacements for 5 developments; gas boiler replacements for 3 developments and first shower installs for 4 developments.

Only 5 properties within the scope of the Scottish Housing Quality Standard are categorised as exempt, with all others already meeting that standard. The Company hopes to achieve full compliance with both the Scottish Housing Quality Standard and the Energy Efficiency Standard for Social Housing by April 2019, with no exemptions.

The Company completed another comprehensive Tenant Satisfaction Survey in November 2016- the fourth annual survey under new regulatory guidance for such surveys. This secured an excellent 45% response rate, with 89% of respondents expressing satisfaction with overall service and not more than 10 tenants expressing any dissatisfaction. The Company has also continued to carry out interim thematic surveys of all tenants – the most recent again focusing on further developing tenant engagement.

Other priorities for the year ahead include- reviewing and developing planning and policies for Business, Succession, Procurement, Business Continuity & Disaster Recovery, and IT Security, as well as general Business Planning, and preparations for any scheduled implementation of the Housing Scotland Act 2014.

HOMES FOR LIFE HOUSING PARTNERSHIP

STRATEGIC REPORT (continued)

For the year ended 31 March 2017

Employees

The company has six permanent employees, excluding directors, two of whom are job-sharing. During the year, a further post has been created and has initially been filled on a temporary basis through a sector specialist recruitment agency.

Fixed assets

In accordance with the Statement of Recommended Practice (SORP) – Accounting by Registered Social Housing Providers, 2014, the Company utilises component accounting in dealing with its housing assets. Component accounting ensures that the major components of the Company's housing stock are identified and depreciated over their estimated economic lives. The cost of any subsequent replacement of a major component will be capitalised in the Statement of Financial Position with the item replaced being disposed of from the Statement of Financial Position. This enables the financial statements to better reflect the use of the component over its life cycle.

Changes in respect of housing properties, resulting from transactions during the year, are detailed in note 13.

All work necessary for Scottish Housing Quality Standard compliance has been completed, with only five properties remaining exempted on technical grounds. The Company is assessing works required for compliance with the new Energy Efficiency Standard for Social Housing by 2020.

Structure and Governance

The company is a housing partnership created in July 1998 under the Scottish Government's New Housing Partnerships initiative, by founding members East Lothian Council and East Lothian Housing Association Limited. Membership also includes tenants and other interested parties. Under the initiative, the Company secured revenue support funding and capital funding for development projects in the form of grants from East Lothian Council. Following a review of the Articles of Association in September 2008, founding members no longer have any special rights or obligations.

The Company is limited by guarantee and is recognised as a charity. It does not trade for profit and is prohibited from making distributions to its members.

The Company is registered as a Registered Social Landlord with the Scottish Housing Regulator and is required to prepare financial statements in accordance with the Scottish Housing Regulator's Determination of Accounting Requirements (December 2014): Regulatory Guidance and the Companies Act 2006.

Future Plans

The Company does not currently have any proposed development programme. It continues to look for opportunities for growth, as well as to improve operational efficiency and effectiveness, including through partnership with other Registered Social Landlords.

Risk and Uncertainties

The Key Risk Register is regularly reviewed by the Audit & Risk Committee and informs planning for both Internal and External Audit. As at the year end, higher risks were assessed as- Maintenance; Procurement; IT Integrity; Loss of Directors; and Knowledge/ Skills. Appropriate mitigation has been identified and is underway or planned for all of these. However, in April 2017, the Company also initiated a review of its Risk Management Strategy, including the Risk Assessment Matrix and Register.

HOMES FOR LIFE HOUSING PARTNERSHIP

STRATEGIC REPORT (Continued)

For the year ended 31 March 2017

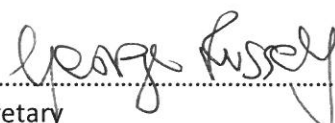
Financial and non-financial key performance indicators

The Board review performance quarterly and benchmark annually against a peer group of other rural and smaller scale members of the Scottish Housing Network, as well as against other local Registered Social Landlords and national averages. Loan covenant compliance is also monitored quarterly. Performance indicators monitored include the following:

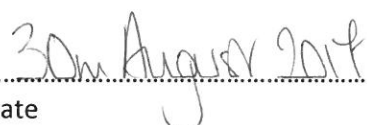
Financial Key Performance Indicators <i>(figures are percentages)</i>	2017	2016	Loan Covenant
Loan Interest Cover	437	326	110
Loan Security Cover	314	309	105

Non-Financial Key Performance Indicators <i>(figures are percentages)</i>	2017	2016 Benchmarking		
	Homes for Life	Homes for Life	SHN Peers Average	All RSL Average
Percentage of tenants satisfied with the overall service provided by their landlord	89.1	91.5	89.8	89.0
Percentage of stock meeting the Scottish Housing Quality Standard (SHQS)	98.3	98.3	95.0	93.2
Percentage of tenants satisfied with the repairs and maintenance service	88.7	90.7	91.1	89.9
Percentage of existing tenants satisfied with the quality of their home	88.3	92.3	86.0	86.5
Percentage of tenants satisfied with opportunities to participate	89.1	88.0	81.7	81.3
Gross rent arrears (all tenants) as a percentage of rent due for the reporting year	1.8	1.4	3.3	4.4
Percentage of rent due lost through properties being empty during the year	0.3	0.3	0.4	1.0

BY ORDER OF THE BOARD

.....

 Secretary

George Russell

.....

 Date

HOMES FOR LIFE HOUSING PARTNERSHIP

REPORT of the BOARD of DIRECTORS

For the year ended 31 March 2017

The Board of Directors and Executive Officers

The directors and executive officer of the Company who served during the year and up to the date these accounts were approved are listed on page 1.

Related Party Transactions

Seven of the Company's directors are tenant directors. Tenant directors must comply with the same regulations as non-director tenants and do not receive favourable terms or discounted rents.

One director is also on the Boards of East Lothian Housing Association Limited (ELHA) and Employers in Voluntary Housing Limited (EVH).

Transactions with tenant directors and other related parties are disclosed at note 30.

Statement of Board of Directors' Responsibilities

Housing Association legislation requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the income and expenditure of the Company for the year ended on that date. In preparing those financial statements the Board are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

The Board are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement on Internal Financial Control

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

1. The reliability of financial information used within the Company or provided for external users;
2. The maintenance of proper accounting records; and
3. The safeguarding of assets against unauthorised use or disposition.

Such systems of internal financial control can only provide reasonable and not absolute assurance against material misstatement or loss.

Key procedures, which the Board has established and which are designed to provide effective financial control, include the following:

1. Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of financial controls and restrict the unauthorised use of the Company's assets;
2. Experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;

HOMES FOR LIFE HOUSING PARTNERSHIP

REPORT of the BOARD of DIRECTORS (Continued)

For the year ended 31 March 2017

Statement on Internal Financial Control (continued)

3. Forecasts and budgets are prepared which allow the Board of Directors and Executive Officer to monitor the key business risks, financial objectives and the progress being made towards achieving plans set for the year and for the medium term;
4. Management accounts are prepared regularly, providing relevant, reliable and up-to-date financial and other information, with significant variances from budget being investigated as appropriate;
5. All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board of Directors;
6. The Board receives an annual report from the external auditor who reviews and test the system of internal financial control only to the extent necessary to express their audit opinion;
7. The Board receives an annual report from the internal auditor as part of an agreed audit plan; and
8. Formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external reports, including for delegation of preliminary consideration of reports and action by an Audit and Risk Committee.

The Board confirms that it has reviewed the effectiveness of the Company's system of internal financial control as it operated during the year ended 31 March 2017. No weaknesses were found in internal financial controls which resulted in material losses, contingencies or uncertainties that require disclosure in the financial statements or in the auditor's report on the financial statements.

Disclosure of information to the Auditor

To the knowledge and belief of each of the persons who are directors of the Board at the time the report is approved:

- So far as the directors are aware, there is no relevant information of which the Company's auditor is unaware; and
- Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant information and to establish that Company's auditor is aware of the information.

Auditor

Scott-Moncrieff was appointed as auditor during the year.
A resolution to re-appoint the Auditor, Scott-Moncrieff will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

.....
Secretary

George Russell

.....
Date

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
HOMES FOR LIFE HOUSING PARTNERSHIP
For the year ended 31 March 2017**

We have audited the financial statements of Homes for Life Housing Partnership for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied is applicable law, and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company'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 Company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Governing Board and Auditor

As explained more fully in the Directors' Responsibilities set out on page 5, the Directors are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2014 issued by the Scottish Housing Regulator.

Matters arising on which we are required to report by exception

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

- a satisfactory system of control over transactions has not been maintained; or
- the Company 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 require for our audit.

Scott-Moncrieff
Scott-Moncrieff

**Statutory Auditor
25 Bothwell Street
Glasgow G2 6NL**

30 August 2017

REPORT OF THE AUDITOR TO THE BOARD OF DIRECTORS OF

HOMES FOR LIFE HOUSING PARTNERSHIP ON CORPORATE GOVERNANCE MATTERS

For the year ended 31 March 2017

In addition to our audit of the financial Statements, we have reviewed your statement on pages 5-6 concerning the Company'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 which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2009/4 issued by the Financial Reporting Council. The bulletin does not require us to review the effectiveness of the Company'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 5-6 has provided the disclosures required by the relevant Regulatory Standards within the publication 'Our Regulatory Framework' and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the Board of Directors and Officers of the Company and examination of relevant documents, we have satisfied ourselves that the Board of Director's Statement on Internal Financial Control appropriately reflects the Company's compliance with the information required by the relevant 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 in respect of internal financial controls.

Scott-Moncrieff

**Scott-Moncrieff
Statutory Auditor
25 Bothwell Street
Glasgow G2 6NL**

30 August 2017

HOMES FOR LIFE HOUSING PARTNERSHIP

STATEMENT of COMPREHENSIVE INCOME

For the year ended 31 March 2017

	Notes	31 March 2017 £	31 March 2016 £
Turnover	4	1,564,169	1,543,306
<u>Less: Operating expenditure</u>	4	(1,037,683)	(1,099,957)
Operating surplus	4	526,486	443,349
Interest receivable and other income	10	13,168	14,322
Interest and financing costs	11	(126,592)	(146,000)
Surplus before taxation		413,062	311,671
Taxation	12	-	-
Surplus for the year		413,062	311,671
Other comprehensive income			
Actuarial (loss)/gain in respect of pension schemes	24	(195,000)	187,000
Total comprehensive income for the year		218,062	498,671

The results for the year relate wholly to continuing activities.

The notes on pages 13 to 30 form part of these financial statements.

HOMES FOR LIFE HOUSING PARTNERSHIP

STATEMENT of FINANCIAL POSITION

As at 31 March 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets – social housing	13	12,236,243	12,561,408
Tangible assets – property, plant and equipment	14	81,402	93,718
Investments	16	2	2
		-----	-----
		12,317,647	12,655,128
		-----	-----
Current assets			
Trade and other debtors	17	86,578	103,129
Cash and cash equivalents	18	1,605,585	1,202,516
Term deposits	19	600,000	750,000
		-----	-----
		2,292,163	2,055,645
Less: Creditors falling due within one year	20	(784,280)	(785,263)
		-----	-----
Net current assets		1,507,883	1,270,382
		-----	-----
Total assets less current liabilities		13,825,530	13,925,510
		-----	-----
Creditors: amounts falling due after more than one year			
Deferred capital grants	21	(1,691,413)	(1,965,235)
Pension liability	22	(8,835,142)	(9,091,362)
	24	(280,000)	(68,000)
		-----	-----
Net assets		3,018,975	2,800,913
		=====	=====
Reserves			
General reserve	25	3,298,975	2,868,913
Pension reserve	24	(280,000)	(68,000)
		-----	-----
		3,018,975	2,800,913
		=====	=====

The financial statements were authorised for issue by the Board of Directors on 30 August 2017 and were signed on its behalf by:



 Chairperson Jamila Greig



 Secretary George Russell



 Vice Chairperson Gordon Leitch

The notes on pages 13 to 30 form part of these financial statements.

HOMES FOR LIFE HOUSING PARTNERSHIP

STATEMENT of CHANGES in RESERVES

For the year ended 31 March 2017

	General Reserve £	Pension Reserve £	Total £
Balance as at 1 April 2016	2,868,913	(68,000)	2,800,913
Surplus for the year	413,062	-	413,062
Other comprehensive income	-	(195,000)	(195,000)
Net transfers during the year	17,000	(17,000)	-
Balance at 31 March 2017	----- 3,298,975 =====	----- (280,000) =====	----- 3,018,975 =====

STATEMENT of CHANGES in RESERVES

For the year ended 31 March 2016

	General Reserve £	Pension Reserve £	Total £
Balance as at 1 April 2015	2,526,242	(224,000)	2,302,242
Surplus for the year	311,671	-	311,571
Other comprehensive income	-	187,000	187,000
Net transfers during the year	31,000	(31,000)	-
Balance at 31 March 2016	----- 2,868,913 =====	----- (68,000) =====	----- 2,800,913 =====

The notes on pages 13 to 30 form part of these financial statements.

HOMES FOR LIFE HOUSING PARTNERSHIP

STATEMENT of CASH FLOWS

For the year ended 31 March 2017

	Notes	2017 £	2016 £
Net cash inflow from operating activities	26	749,705	726,145
Cashflow from investing activities			
Purchase of tangible fixed assets		(116,830)	(102,780)
Decrease/(increase) in deposits with banks		150,000	(500,000)
Grants received		-	23,946
Interest received		13,168	14,314
Cashflow from financing activities			
Interest paid		(123,592)	(138,000)
Repayment of borrowings		(269,382)	(263,052)
Net change in cash and cash equivalents		403,069	239,427
		=====	=====
Cash and cash equivalents at the beginning of the year	18	1,202,516	1,441,943
Cash and cash equivalents at the end of the year	18	1,605,585	1,202,516
		-----	-----
		403,069	239,427
		=====	=====

The notes on pages 13 to 30 form part of these financial statements.

HOMES FOR LIFE HOUSING PARTNERSHIP
NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2017

1. General Information

These financial statements are stated in Pounds Sterling (GBP), as that is the currency which the majority of the Company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 March 2017. Except where otherwise stated all financial information is presented in GBP.

The Company is registered under The Co-operative & Community Benefit Societies Act 2014. The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the Determination of Accounting Requirements 2014 issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2014.

The preparation of these financial statements in compliance with FRS102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company is defined as a public benefit entity and thus the Company complies with all disclosure requirements relating to public benefit entities. The Company is a registered social landlord in Scotland and its registered number is 311. The Company is a private company limited by guarantee and incorporated in the United Kingdom and registered in Scotland. The Company's registered number is SC188299. The registered address is included on page 1 of these financial statements.

2. Accounting policies

(a) Accounting convention

The financial statements are prepared under the historical cost basis of accounting and in accordance with applicable standards. The accounting policies of the Company are set out in paragraphs (d) to (s) below.

(b) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards. The effect of events relating to the year ended 31 March 2017, which occurred before the date of approval of the financial statements have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2017 and of the results for the year ended on that date.

(c) Going concern

The Company has a healthy bank balance, is budgeted to make a surplus for the year ended 31 March 2018, has a strong asset base, has no liquidity issues and the directors are of the opinion that the Company will continue to meet its obligations as they fall due for the foreseeable future. On this basis, the directors consider it appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

(d) Turnover

Turnover represents rental income and fees from tenants and revenue based grants received from The Scottish Government. The Company has no shared-ownership properties and consequently all income relates to properties wholly-owned by the Company.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

2. Accounting policies (continued)

(e) Apportionment of management expenses

Management and administration expenses are apportioned between housing and commercial activities based on the income generated by these activities. The costs thus allocated to housing are further apportioned based on the units held within each sub-type.

(f) Repairs and maintenance costs

Costs for reactive and planned maintenance are charged to the Statement of Comprehensive Income as they are incurred. Property improvements are capitalised, if these are material in nature and can give rise to additional income or cost savings. These capitalised improvements are subsequently written off in line with the Company's fixed asset policy.

(g) Interest receivable

Interest receivable is recognised in the Statement of Comprehensive Income using the effective interest rate method.

(h) Interest payable

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

(i) Designated reserves – planned maintenance reserves

The Company maintains its housing properties in a state of repair which at least maintains their residual value in prices prevailing at either the time of acquisition or construction. Provision is made for such future major repairs based on planned maintenance programme requirement for the next three years.

(j) Grants

Capital

New Housing Partnership Grants (NHP) were made by East Lothian Council and were utilised to reduce the amount of loans required in respect of an approved scheme.

For schemes developed with NHP the grant was paid directly to the Company as required to meet its liabilities during the development process.

Capital grants in respect of property development are applied in the following order:

- Land;
- Structure;
- With any remaining balance being allocated as "unapplied grants".

Capital grants applied to land and structure are amortised at 2% per annum. Other components have various useful lives and to apportion grants to these components would not reflect that grants are not repayable except under disposal of the entire property. Unapplied grants are therefore amortised on a straight line basis at 2% per annum in line with the main structure.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

2. Accounting policies (continued)

(j) Grants (continued)

Revenue

Revenue grants are credited to income in the appropriate period to match related expenditure.

(k) Fixed assets – Housing Properties

Housing properties are stated at cost, less accumulated depreciation. The development cost of housing properties includes:

- Cost of acquiring land and buildings
- Development expenditure including administration costs.

(l) Depreciation

Depreciation is charged on tangible fixed assets so as to write off the asset cost less any recoverable value on a straight line basis over its anticipated useful life as follows:

	Useful Economic Life
Office premises	30 years
Office furniture and equipment	3 years

Each housing unit has been split between its major component parts. Each major component is depreciated on a straight line basis over its expected useful economic useful life. The following major components and useful lives have been identified by the Company:

Housing properties (by component):

• Land	Infinite
• Structure	50 years
• Roof	50 years
• Kitchens	15 years
• External doors and windows	25 years
• Bathrooms and WCs	20 years
• Electrics	25 years
• Boilers	15 years
• Specialist heating, plumbing, ventilation systems	20 years

(m) Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and related parties.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

2. Accounting policies (continued)

(m) Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets are derecognised when contractual rights to the cash flows from the assets expire or when the Company has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

(n) Debtors

Short term debtors are measured at transaction price, less any impairment.

(o) Rental arrears

Rental arrears represent amounts due by tenants for rental of social housing properties at the year end. Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in Note 17.

(p) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

(q) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(r) Pensions

The Company participates in a defined benefit scheme in respect of its employees. The assets of the scheme are held by the Lothian Pension Fund.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

2. Accounting policies (continued)

(r) Pensions (continued)

In accordance with “FRS 102 s28 – Employee Benefits”, the operating and financing costs of pension and post retirement schemes (determined by a qualified actuary) are recognised separately in the Statement of Comprehensive Income. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise.

The differences between actual and expected returns on assets during the year and changes in the actuarial assumptions are recognised in the Statement of Comprehensive Income.

(s) Financial commitments

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

(t) Consolidation

The Company has taken advantage of the exemption provided in section 402 of the Companies Act 2006 not to prepare group financial statements and accordingly these financial statements present information about the company as a single undertaking (see note 16).

(u) VAT

The Company is not registered for VAT purposes and all expenses are shown inclusive of VAT.

3. Judgements in applying policies and key sources of uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Board are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Estimate	Basis of estimation
Useful lives of property, plant and equipment	The useful lives of property, plant and equipment are based on the knowledge of senior management, with reference to expected asset life cycles.
The main components of housing properties and their useful lives	The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

3. Judgements in applying policies and key sources of uncertainty (continued)

Estimate	Basis of estimation
Recoverable amount of rental and other trade receivables	Rental arrears and other trade receivables are reviewed by appropriately experienced senior members of staff on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into accounts.
The obligations under the Lothian Pension Fund	This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate.

4. Particulars of turnover, operating costs and operating surplus

	2017			2016		
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
	£	£	£	£	£	£
Affordable lettings (note 5)	1,559,872	1,037,683	522,189	1,537,456	1,094,639	442,817
Other activities (note 6)	4,297	-	4,297	5,850	5,318	532
	-----	-----	-----	-----	-----	-----
	1,564,169	1,037,683	526,486	1,543,306	1,099,957	443,349
	=====	=====	=====	=====	=====	=====

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

5. Particulars of turnover, operating costs and operating surplus from affordable letting activities

	General Needs Housing £	Supported Housing Accomm'n £	Other (Respite Unit) £	2017 Total £	2016 Total £
Income from rent and service charges					
Rent receivable net of service charge	1,236,804	39,093	20,620	1,296,517	1,280,775
Service charge	-	-	-	-	-
Gross income from rents and service charges	1,236,804	39,093	20,620	1,296,517	1,280,775
<u>Less: Voids</u>	(2,999)	-	-	(2,999)	(3,966)
Net income from rents and service charges	1,233,805	39,093	20,620	1,293,518	1,276,809
Adaptable grants	10,134	-	-	10,134	4,427
Release of deferred capital grant	244,650	8,579	2,991	256,220	256,220
Total turnover from social letting activities	1,488,589	47,672	23,611	1,559,872	1,537,456
Expenditure					
Management and maintenance administration costs	425,378	8,451	1,408	435,237	431,763
Planned cyclical maintenance including major repairs	91,046	2,008	480	93,534	76,747
Reactive maintenance costs	58,731	1,925	2,796	63,452	91,056
Bad debts – rents and service charges	3,465	-	-	3,465	6,089
Depreciation of social housing	424,407	13,275	4,313	441,995	488,984
Operating costs for social letting activities	1,003,027	25,659	8,997	1,037,683	1,094,639
Operating surplus on letting activities, 2017	485,562	22,013	14,614	522,189	
Operating surplus on letting activities, 2016	399,051	27,227	16,539		442,817

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

6. Particulars of turnover, operating costs and operating surplus form other activities

	2017			2016		
	Other	Operating	Operating	Other	Operating	Operating
	income	Costs	Surplus	Income	Costs	Surplus
	£	£	£	£	£	£
Commercial rents	-	-	-	3,164	2,632	532
Factoring activity	727	-	727	2,686	2,686	-
Other income	3,570	-	3570	-	-	-
	-----	-----	-----	-----	-----	-----
	4,297	-	4,297	5,850	5,318	532
	=====	=====	=====	=====	=====	=====

7. Staff costs

	2017	2016
	£	£
Wages and salaries	196,217	206,775
Social security costs	17,359	14,825
Pension costs – contributions rate 19.5% (2016: 19.5%)	35,591	34,830
Pension adjustment (note 24)	14,000	23,000
	-----	-----
	263,167	279,430
	=====	=====
	2017	2016
	No.	No.
Administration staff	5	5
Wardens and cleaners	1	1
	=====	=====
The average number of full time equivalent employees during the year was:	5	6
	=====	=====

8. Directors' emoluments

The directors are defined as Board members and did not receive any remuneration or accrue any retirement benefits during the year. During the year, Board members were reimbursed £1,049 (2016: £2,108) for travel and subsistence expenses in respect of attendance at Board meetings and training sessions. Board members include tenant directors who must comply with the same regulations as non-director tenants. The Company considers key management personnel to be the business manager and directors of the Company only.

	2017	2016
	£	£
Emoluments (excluding pension contributions) of:		
Business manager and company secretary	62,035	61,280
Pension contributions	11,798	11,681
	-----	-----
	73,833	72,961
	=====	=====

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

8. Directors' emoluments (continued)

Other staff members reporting directly to the Board did not receive emoluments (excluding employer's pension contributions) exceeding £60,000 per annum.

9. Operating surplus	2017	2016
	£	£
Operating surplus is stated after charging:		
Depreciation – housing	441,995	488,984
Depreciation – other assets	12,316	12,315
Amortised capital grants	256,200	256,200
Repairs: cyclical, major, day-to-day	79,011	168,025
Auditor's remuneration		
- In their capacity as auditors	8,760	4,385
- In respect of other services	-	-
10. Interest receivable and other income	2017	2016
	£	£
Interest receivable on deposits	13,168	14,322
	=====	=====
11. Interest and financing costs	2017	2016
	£	£
Loan interest payable	123,592	138,000
Interest on defined benefit pension scheme	3,000	8,000
	-----	-----
	126,592	146,000
	=====	=====

12. Taxation

The company is recognised by HM Revenue & Customs as a charity and no charge for taxation arises on the results for the year.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

	Housing Properties Held for Letting £
13. Tangible fixed assets – social housing	
Current year	
As at 1 April 2016	17,937,717
Additions during the year – replacement components	116,830
Disposals	(91,113)

At 31 March 2017	17,963,434

Depreciation	
As at 1 April 2016	5,376,309
Charge for the year	438,329
Released on disposals during the year – replacement components	(87,447)

At 31 March 2017	5,727,191

Net book value	
At 31 March 2017	12,236,243
	=====
At 31 March 2016	12,561,408
	=====

None of these properties are held under lease

The net book value of components which have been replaced in the year of £3,667 (2016: £38,591) is included in the depreciation charge of £441,995 (2016: £488,984) in notes 5 and 9.

14. Tangible fixed assets – property, plant and equipment

	Heritable Property £	Office Equipment £	Total £
Cost			
As at 1 April 2016 and 31 March 2017	168,999	38,756	207,755
	-----	-----	-----
Depreciation			
As at 1 April 2016	84,958	29,079	114,037
Provided in year	5,628	6,688	12,316
	-----	-----	-----
At 31 March 2017	90,586	35,767	126,353
	-----	-----	-----
Net book value			
At 31 March 2017	78,413	2,989	81,402
	=====	=====	=====
At 31 March 2016	84,041	9,677	93,718
	=====	=====	=====

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

15. Property stock

The number of units of accommodation owned by the company was as follows:

	Units in Management	
	2017	2016
Unimproved	-	-
New build	272	272
Improved	27	27
	-----	-----
General Needs Housing	299	299
	-----	-----
Other (Respite Unit)	1	1
Supported housing accommodation	9	9
	-----	-----
Total housing stock	309	309
	=====	=====
Other property		
Commercial property held for letting	-	1
	-----	-----
Total property	309	310
	=====	=====

During the year there was a change of use of the commercial property into office accommodation for use by Homes for Life resulting in the number of units reducing by 1.

16. Investments

	2017	2016
	£	£

Investment in subsidiary undertaking	2	2
	=====	=====

The investment represents 100% of the ordinary share capital of Homes for Life Developments Limited. Which is incorporated in the United Kingdom and registered in Scotland. The Company was dormant throughout the year. The directors consider that the value of the unlisted investments is not materially different from cost.

The aggregate equity and reserves as at 31 March 207 for Homes for Life Developments was as follows:

	2017	2016
	£	£
Aggregate equity and reserves	2	2
	=====	=====

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

17. Trade and other receivables	2017	2016
	£	£
Rental debtors	21,133	16,477
<u>Less: Provision for bad debts</u>	(6,235)	(3,142)
	-----	-----
	14,898	13,335
Other debtors	1,519	2,376
Prepayments and accrued income	70,161	87,418
	-----	-----
	86,578	103,129
	=====	=====
 18. Cash and cash equivalents	 2017	 2016
	£	£
Balance held in current accounts	1,605,585	1,202,516
	=====	=====
	 As at	 As at
19. Term deposits	1 April	31 March
	2016	2017
	£	£
	Movement	
	in year	
	£	
Fixed term deposits	750,000	(150,000)
	=====	=====
	600,000	=====
	=====	=====
 20. Creditors: amounts falling due within one year	 2017	 2016
	£	£
Housing loans	281,593	277,153
Accruals	212,874	196,178
Other creditors	1,802	1,802
Pension creditor	4,537	-
Rent in advance	22,086	48,959
Other taxes and social security	5,168	4,951
Deferred capital grants (note 22)	256,220	256,220
	-----	-----
	784,280	785,263
	=====	=====

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

21. Creditors: amounts falling due after more than one year	2017	2016
	£	£
Housing loans	1,691,413	1,965,235
	=====	=====
Loans are due within the following periods:		
Loans due between 1 and 2 years	297,150	291,286
Loans due between 2 and 5 years	993,251	975,090
Loans due after 5 years	401,012	698,859
	-----	-----
	1,691,413	1,965,235
	=====	=====

The loan is repayable in equal monthly instalments and is due to be fully repaid in April 2023. Interest is charged on the loan at fixed rate of 5.505%. Loans are secured by a standard security over certain properties and a bond and floating charge over the assets of the company.

	Housing Properties Held for Letting	Non Housing Properties	Total
	£	£	£
22. Deferred capital grants			
Year ended 31 March 2017			
At 1 April 2016	9,332,582	15,000	9,347,582
Amortised in year	(255,220)	(1,000)	(256,220)
	-----	-----	-----
At 31 March 2017	9,077,362	14,000	9,091,362
	=====	=====	=====
Deferred capital grants due for release within one year	255,220	1,000	256,220
Deferred capital grants due for release after one year	8,822,142	13,000	8,835,142
	-----	-----	-----
	9,077,362	14,000	9,091,362
	=====	=====	=====
Year ended 31 March 2016			
At 1 April 2015	9,563,856	16,000	9,579,856
Additions during year	23,946	-	23,946
Amortised in year	(255,220)	(1,000)	(256,220)
	-----	-----	-----
At 31 March 2016	9,332,582	15,000	9,347,582
	=====	=====	=====
Deferred capital grants due for release within one year	255,220	1,000	256,220
Deferred capital grants due for release after one year	9,077,362	14,000	9,091,362
	-----	-----	-----
	9,332,582	15,000	9,347,582
	=====	=====	=====

Grants received totalled £12,546,602; the above £9,091,362 represents the unamortised balance at 31 March 2017. Grants are repayable in certain circumstances primarily following the sale of the related property. A contingent liability of £3,455,240 exists in respect of the amortised amount of the grants.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

23. Financial instruments	2017	2016
	£	£
Financial assets		
Cash and cash equivalents	1,605,585	1,202,516
Term deposits	600,000	750,000
Financial assets measured at amortised cost	49,099	68,746
	-----	-----
	2,254,684	2,021,262
	=====	=====
Financial liabilities		
Financial liabilities measured at amortised cost	2,192,218	2,440,368
	=====	=====

Financial assets measured at amortised cost comprises rental arrears, grants receivable, other debtors and accrued income.

Financial liabilities measured at amortised cost comprises bank loans, amounts owed to contractors, other creditors and accruals.

24. Pensions

Defined benefit scheme – Lothian Pension Fund

The company participates in a defined benefit scheme in the UK that provides pension linked to final salaries. A valuation of the pension fund is carried out triennially. The latest formal valuation of the fund for the purpose of setting employers' actual contributions was as at 31 March 2017.

Liabilities are valued on an actuarial basis using the projected unit credit method which assesses the future liabilities of the fund discounted to their present value. 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.

The principal actuarial assumptions used by the actuary for the purposes of the FRS 102 valuation at each year end are as follows:

	31 March 2017	31 March 2016
	% pa	% pa
Pension increase rate	2.4	2.2
Salary increase rate	4.4	4.2
Discount rate	2.6	3.5
	=====	=====

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

24. Pensions (continued)

Life expectancy is based on the Funds Vita Curves with improvements in line with the CMI 2012 model assuming current rates of improvement have peaked and will converge to a long term rate of 1.25% per annum. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	22.1 years	23.7 years
Future pensioners	24.2 years	26.3 years

	31 March 2017	31 March 2016
	%	%
The major categories of plan assets as a percentage of total plan assets:		
Equities	67	67
Bonds	23	20
Property	7	9
Cash	3	4
	=====	=====

The company does not have a past service deficit as such deficit recovery payments are not required.

Changes in the fair value of plan assets, defined benefit obligations and net liability for year end 31 March 2017 are as follows:

	Assets	Obligations	Net (liability)/ asset 2017	Net Position March 2016
	£(000)	£(000)	£(000)	£(000)
Fair value of plan assets	1,270	-	1,270	1,165
Present value of funded liabilities	-	1,338	(1,338)	(1,389)
Present value of unfunded liabilities	-	-	-	-
	-----	-----	-----	-----
Opening position as at 31 March 2016	1,270	1,338	(68)	(224)
	-----	-----	-----	-----
Service cost				
Current service cost	-	50	(50)	(58)
Past service cost (including curtailments)	-	-	-	-
Effect of settlements	-	-	-	-
	-----	-----	-----	-----
Total service cost	-	50	(50)	(58)
	-----	-----	-----	-----
Carried over	-	50	(50)	(58)
	-----	-----	-----	-----

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

	Assets	Obligations	Net (liability)/ asset 2017	Net Position March 2016
	£(000)	£(000)	£(000)	£(000)
24. Pensions (continued)				
Brought over	-	50	(50)	(58)
Net interest				
Interest income on plan assets	45	-	45	38
Interest cost on defined benefit obligation	-	48	(48)	(46)
Impact of asset ceiling on net interest	-	-	-	-
	-----	-----	-----	-----
Total net interest	45	48	(3)	(8)
	-----	-----	-----	-----
Total defined benefit cost recognised in Surplus or (deficit)	45	98	(53)	(66)
	-----	-----	-----	-----
Cashflows				
Plan participants' contributions	13	13	-	-
Employer contributions	36	-	36	35
Contributions in respect of unfunded benefits	-	-	-	-
Benefits paid	(2)	(2)	-	-
Unfunded benefits paid	-	-	-	-
Effect of business combinations and disposals	-	-	-	-
	-----	-----	-----	-----
Expected closing position	1,362	1,447	(85)	(255)
	-----	-----	-----	-----
Remeasurements				
Changes in demographic assumptions	-	-	-	-
Changes in financial assumptions	-	442	(442)	157
Other experience	-	-	-	9
Return on assets excluding amounts included in net interest	247	-	247	21
Changes in asset ceiling	-	-	-	-
	-----	-----	-----	-----
Total remeasurements recognised in other comprehensive income (OCI)	247	442	(195)	187
	-----	-----	-----	-----
Fair value of plan assets	1,609	-	1,609	1,270
Present value of funded liabilities	-	1,889	(1,889)	(1,338)
Present value of unfunded liabilities	-	-	-	-
	-----	-----	-----	-----
Closing position as at 31 March 2017	1,609	1,889	(280)	(68)
	=====	=====	=====	=====

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

25. General reserve

	General Reserve £	Designated Reserve (Planned Maintenance) £	Total £
Balance as at 1 April 2016	2,375,913	493,000	2,868,913
Surplus for the year	413,062	-	413,062
Transfers from designated reserves	33,614	(33,614)	-
Transfers to designated reserves	(264,614)	264,614	-
Net transfer from pension reserve	17,000	-	17,000
	-----	-----	-----
Balance at 31 March 2017	2,574,975	724,000	3,298,975
	=====	=====	=====

The general reserve includes all current and prior year retained surpluses or deficits. Included within the general reserve is an amount that has been designated to cover the next three years planned maintenance program.

26. Net cash flow from operating activities

	2017 £	2016 £
Surplus for the year	413,062	311,671
<i>Adjustment for non-cash items:</i>		
Depreciation tangible fixed assets	450,644	462,708
Carrying amount of tangible fixed asset disposals	3,667	38,591
Pension service costs	17,000	23,000
Decrease/(increase) in debtors	16,551	(49,495)
Decrease/(increase) in creditors	(5,423)	64,212
<i>Adjustment for investing or financing activities:</i>		
Release of deferred capital grants	(256,220)	(256,220)
Interest payable	123,592	146,000
Interest receivable	(13,168)	(14,322)
	-----	-----
Net cash inflow from operating activities	749,705	726,145
	=====	=====

27. Capital commitments

There were no capital commitments at 31 March 2017 (2016: £Nil).

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2017

28. Revenue commitments

The Company's total commitments for rental payments under non-cancellable operating leases at 31 March 2017 and entered into since the year end were as set out below:

	2017 Other Leases £	2016 Other Leases £
Operating leases		
Payable within one year	1,647	1,647
Payable within two to five years	412	2,059
	-----	-----
	2,059	3,706
	=====	=====

29. Legislative provisions

The company is established under the Companies Act as a charitable company, limited by guarantee. In the event of a winding up each of the members (at 31 March 2017: 148) undertake to contribute an amount not exceeding £1.

30. Related parties

The company has directors who are also tenants. The total rent charged in the year relating to tenant directors was £24,485 (2016: £23,030). The total rent arrears relating to tenant directors included within debtors at the year end is £nil (2016: £nil).

During the year, the company recharged costs to ELHA, incurred at a shared scheme, of £nil (2016: £557). Included within other debtors at 31 March 2017 is £nil (2016: £557) due from ELHA. The company also incurred costs recharged from ELHA totalling £1,548 (2016: £1,148) in respect of Homehunt services and costs related to a shared scheme. At 31 March 2017, the company owed ELHA £454 (2016: £nil).

ELHA has a trading subsidiary, R3 Limited. From 1 April 2012, R3 Limited has been providing the company's reactive maintenance service. Revenue and capital costs for the year were £137,655 (2016: £228,461). Included within creditors due within one year at 31 March 2017 is £181,388 (2016: £171,996) due to R3 Limited.

As a member of EVH, the company sets its employee terms and conditions based on their guidance. The membership fee for the year ended 31 March 2017 was £1,619 (2016: £1,632) and the company has received other services from EVH during the year costs £1,660 (2016: £1,540).

As a member of SHARE, the Company's membership for the year ended 31 March 2017 was £1,100 (2016: £1,100) and the company received other services during the year costing £nil (2016: £nil). Included within creditors due within one year at 31 March 2017 is £nil (2016: £nil) due to SHARE.