

IRVINE HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

FCA Reference No. 2459RS

Registered Housing Association No. HAL280

Scottish Charity No. SC042251

IRVINE HOUSING ASSOCIATION LIMITED

BOARD OF MANAGEMENT AND ADVISERS

BOARD OF MANAGEMENT: A West, Chairman
C Bell
F Dunlop
F Garven *
K Gatherer (Resigned 24 March 2015)
W Johnstone
D McEachran
P McGregor * (Appointed 17 November 2014)
R Sturgeon
J Wood

* Co-opted Board Members

SECRETARY: P Hillard (Until 01/02/15)
N Thom (From 01/02/15)

AUDITOR: KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

BANKERS: National Westminster Bank plc
Liverpool City Office
22 Castle Street
Liverpool
L2 0UP

SOLICITORS: Harper MacLeod LLP
The Ca'd'oro
45 Gordon Street
GLASGOW
G1 3PE

REGISTERED OFFICE: 44-46 Bank Street
Irvine
Ayrshire
KA12 0LP

IRVINE HOUSING ASSOCIATION LIMITED

YEAR ENDED 31 MARCH 2015

REPORT OF THE BOARD OF MANAGEMENT

The Board presents its Report and Audited Financial Statements for the year ended 31 March, 2015.

PRINCIPAL ACTIVITY

The principal activity of the Association is the provision and management of affordable rented housing.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

A strong financial performance for the year ended March 31 2015, resulted in the Association making a surplus of £1,607,296 compared to a surplus of £1,877,826 for the previous year. An increase to the deficit in the pension fund of £1,133k has taken the pension fund liability to £2,638k. Overall reserves remain positive at £2.9m.

The Association has met all of its loan covenants and the Board consider that the results for the year are satisfactory.

As displayed in the following table, a strong operational performance resulted in targets for all top 10 key performance indicators being met or exceeded. This demonstrates the commitment of staff to provide excellent customer service while delivering value for money by keeping tight controls on the cash leakage indicators.

Top 10 KPI's	2014/15 Result	2014/15 Target	Variance to target
% Stock Void	0.23%	Not more than 0.5%	Target exceeded by 0.27%
Relet Period	13.6	Not more than 14 days	Target exceeded by 0.4 days
Current Rent Arrears	2.86%	Not more than 3.25%	Target exceeded by 0.39%
% homes with a valid gas certificate	100.00%	Not less than 100%	Target met
Health & Safety Risk Actions	100.00%	Not less than 100%	Target met
First Visits to Tenants	99.1%	Not less than 95%	Target exceeded by 4.1%
First Time Fix (Repairs)	99.5%	Not less than 95%	Target exceeded by 4.5%
CRM 24hours callback	98.0%	Not less than 85%	Target exceeded by 13%
Anit Social Behaviour (ASB)	97.4%	Not less than 90%	Target exceeded by 7.4%
Data Quality	99.62%	Not less than 99.5%	Target exceeded by 0.12%

The 2014/15 financial year has seen Irvine Housing Association continue to deliver promises from the Partnership Agreement with The Riverside Group Limited.

The regeneration of the Pennyburn flats is ongoing with the development of 22 new homes for affordable rent due for completion in April 2015. The first phase of properties has been allocated and customers are delighted with their new homes.

July marked the completion of all 56 homes at the St Molios Park development at Lamlash, Isle of Arran. The project, a partnership between the Association and Riverside, was supported by the Scottish Government and North Ayrshire Council, and is the biggest affordable development on Arran in decades.

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IRVINE HOUSING ASSOCIATION LIMITED

YEAR ENDED 31 MARCH 2015

REPORT OF THE BOARD OF MANAGEMENT (Continued)

In 2014/15 the Association secured £1.8m funding from the Scottish Government in order to partially fund the investment to the privately owned properties in Pennyburn and Drongan. An additional £140k of funding was secured from Npower ECO funding. This combined funding covered nearly 97% of the cost of improvement works resulting in a token payment from owners toward an investment of nearly £8,000 in each of their homes. This funding has resulted in external wall insulation works being undertaken on 256 owner occupied properties in Pennyburn, Kilwinning and on 33 owner occupied properties in Drongan.

The Association successfully secured a grant of £250,490 from The Big Lottery Fund Scotland in May 2015 to support their Springboard project. Payments will be made in stages over a three year period. The project benefits tenants and people from communities in North Ayrshire, East Ayrshire and Dumfries and Galloway by offering advice and support on Money Advice and Affordable Warmth.

In October a virtual Customer Service Centre was launched in Irvine resulting in a quicker response to customers from an advisor based in either Irvine or Liverpool. The new team is a part of the wider team based in Riverside's head office and has created new job opportunities in Irvine which has some of the highest levels of unemployment in the country.

In November the Association was named Scotland's Employer of the Year at the Business Insider Scotland's Best Employer Awards 2014. As well as picking up the top award, the Association was also named Not-for-Profit/Public Sector Employer of the Year at the awards ceremony. The Best Employer awards recognise and award companies who put employees at the heart of their business, promoting development, health and wellbeing to thrive in their industry.

BOARD OF MANAGEMENT

The current members of the Board of the Association, who are also Trustees of the Charity, are listed on page 2. The following also served during the year:

K Gatherer (until March 2015)

Each member of the Board holds one fully paid share of £1 in the Association.

IRVINE HOUSING ASSOCIATION LIMITED

YEAR ENDED 31 MARCH 2015

REPORT OF THE BOARD OF MANAGEMENT (Continued)

STATEMENT OF THE BOARD'S RESPONSIBILITIES IN RESPECT OF THE BOARD'S REPORT AND THE FINANCIAL STATEMENTS

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the association and of its income and expenditure for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2012. The Board has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

STATEMENT OF THE BOARD OF MANAGEMENT IN RESPECT OF INTERNAL CONTROLS

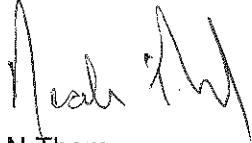
The Board acknowledges that it is responsible for establishing and maintaining the Association's system of internal controls, and for reviewing the effectiveness of those controls. Such a system can only provide reasonable, and not absolute, assurance against material misstatement or loss or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that strategic objectives will be achieved.

The key features of the system of internal controls which has been established, and which is designed to provide effective internal control, are as described below.

1. The Association's organisational structure embodies clearly defined levels of responsibility and delegation of authorities in relation to internal control. Appropriate policies and procedures in respect of financial management are in place and are set out in the Association's Financial Regulations. The Board retains responsibility for a range of strategic, operational, performance and financial issues.

2. The Association has a robust system of strategic and operational planning, informed by a system of risk management. The system of risk management is participative and informs all activities undertaken by the Association.
3. Experienced and suitably qualified staff are employed by the Association, and their performance is reviewed as part of a comprehensive appraisal process.
4. The Association has an appropriate system of financial reporting in place to enable the Board and senior staff to monitor the key business risks facing the Association. This system of financial reporting includes the preparation of budgets and forecasts, and the preparation of regular financial reports providing relevant and reliable financial information, where significant variances from budgets are appropriately investigated.
5. All significant new initiatives, major commitments and investment projects are subject to appropriate appraisals, review, analysis and authorisation, either by the Board or through relevant Committees of the Board, where authority to consider such matters has been appropriately delegated by the Board.
6. The Board considers reports from senior staff and auditors as relevant to provide reasonable assurance that suitable internal financial control procedures are in place and are being followed. In addition, the Association's Financial Regulations are subject to regular review and updating.

By order of the Board



N Thom
Secretary
23 June, 2015

Independent auditor's report to Irvine Housing Association Limited

We have audited the financial statements of Irvine Housing Association Limited ("the Society") for the year ended 31st March 2015 set out on pages 10 to 30. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Society, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 69 of the Housing (Scotland) Act 2010. Our audit work has been undertaken so that we might state to the Society those matters we are required to state to it 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 Society for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board and auditor

As more fully explained in the Statement of Board's Responsibilities set out on page 6, the Society's Board is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of affairs of the Society as at 31st March 2015 and of its income and expenditure for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been properly prepared in accordance with the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2012.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

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

Under the Scottish Housing Regulator Regulatory Advice Note: *Internal Financial Controls and the Regulatory Standards* we are required to report to you if, in our opinion the Statement on Internal Financial Control on page 6:

- does not provide 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; or

- is materially inconsistent with the knowledge acquired by us in the course of performing our audit.

Martin Newsholme

Martin Newsholme

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

St Peter's Square

Manchester

M2 3AE

26/06/2015

IRVINE HOUSING ASSOCIATION LIMITED
INCOME AND EXPENDITURE ACCOUNT YEAR
ENDED 31 MARCH 2015

	Note	2015	2014
		£	£
Turnover	2	9,512,874	9,672,964
Operating Costs	2	(6,474,382)	(6,277,224)
Operating Surplus	2	3,038,492	3,395,740
Gain on Sale of Fixed Assets	4	6,592	19,354
Interest Receivable and Similar Income	6	3,006	2,994
Interest Payable and Similar Charges	7	(1,496,793)	(1,537,774)
Other Finance Income / (Expense)	19	56,000	(5,000)
Surplus on Ordinary Activities before Taxation	8	1,607,297	1,875,314
Taxation on Ordinary Activities	9	-	2,512
Surplus for the Year	20	1,607,297	1,877,826
Revenue Reserve brought forward		3,431,270	1,881,444
Transfer to reserves		-	-
Transfer from reserves		16	-
Actuarial Gain / (Loss)		(1,111,000)	(328,000)
Revenue Reserve carried forward		3,927,583	3,431,270

All of the above operations are continuing.

There is no difference between the surplus on ordinary activities before taxation and the retained surplus for the year as stated above and their historical cost equivalents.

The income and expenditure account contains all the gains and losses recognised in the year. The notes on pages 14 to 30 form part of these financial statements.

IRVINE HOUSING ASSOCIATION LIMITED
STATEMENT OF TOTAL RECOGNISED SURPLUSES AND
DEFICITS YEAR ENDED 31 MARCH 2015

	Note	2015	2014
		£	£
Surplus for the Year		1,607,297	1,877,826
Transfer to reserves	19	(1,111,000)	(328,000)
Total surpluses / (deficits) recognised since last annual report		<u>496,297</u>	<u>1,549,826</u>

RECONCILIATION OF MOVEMENTS IN FUNDS

YEAR ENDED 31 MARCH 2015

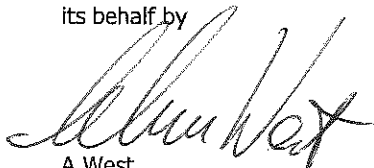
	Note	2015	2014
		£	£
Total recognised surplus / (deficit)		496,297	1,549,826
Total funds at 1 April 2014		2,393,026	843,200
Total Funds at 31 March 2015		<u>2,889,323</u>	<u>2,393,026</u>

The notes on pages 14 to 30 form part of these financial statements.

IRVINE HOUSING ASSOCIATION LIMITED
BALANCE SHEET AS AT 31 MARCH 2015

	Note	2015 £	2014 £
TANGIBLE FIXED ASSETS			
Housing Properties			
- gross cost less depreciation	10	69,092,677	68,186,000
less Housing Association Grant		(24,563,500)	(25,066,110)
Other Grants		(2,847,011)	(2,921,996)
		<u>41,682,166</u>	<u>40,197,894</u>
Other tangible fixed assets	10a	260,186	256,290
Fixed asset investments			
Cost	10	1,923,444	593,713
less Housing Association Grant	10	(1,081,713)	(593,713)
Other Grants	10	(152,000)	-
		<u>42,632,083</u>	<u>40,454,184</u>
CURRENT ASSETS			
Stock	22	-	753,088
Debtors	11	1,401,403	344,113
Investments	12	1,100,000	
Cash at Bank and in hand	13	381,986	1,093,156
		<u>2,883,389</u>	<u>2,190,357</u>
CREDITORS:			
Amounts falling due within one year	14	(2,866,400)	(2,881,962)
(DEFICIENCY OF) NET CURRENT ASSETS		<u>16,989</u>	<u>(691,605)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>42,649,072</u>	<u>39,762,579</u>
CREDITORS:			
Amounts falling due after more than one year	15	(37,121,485)	(35,864,176)
PENSION LIABILITY	19	(2,638,000)	(1,505,000)
NET ASSETS / (LIABILITIES)		<u>2,889,587</u>	<u>2,393,403</u>
CAPITAL AND RESERVES			
Share Capital	16	256	353
General Reserve	20	5,519,823	3,890,526
Pension Reserve	20	(2,638,000)	(1,505,000)
Revenue Reserves	20	<u>2,881,823</u>	<u>2,385,526</u>
Designated Reserves	21	7,508	7,524
		<u>2,889,587</u>	<u>2,393,403</u>

These financial statements were approved by the Board of Management on 23 June 2015, and were signed on its behalf by



A West
CHAIRMAN



N Thom
SECRETARY



BOARD MEMBER

The notes on pages 14 to 30 form part of these financial statements.

IRVINE HOUSING ASSOCIATION LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
Cash inflow from operating activities	27 (a)	2,877,376	5,007,193
Returns on investments and servicing of finance:			
Interest Received		3,006	2,994
Interest Paid		(1,489,484)	(1,529,225)
Net cash outflow from returns on investments and servicing of finance		<u>(1,486,478)</u>	<u>(1,526,231)</u>
Taxation			
UK Corporation Tax paid		-	16,045
Grants received		-	-
Net cash inflow from taxation		<u>-</u>	<u>16,045</u>
Capital Expenditure			
Acquisition of Housing Properties		(2,786,391)	(4,571,342)
Improvement to Housing Properties		(566,447)	(2,551,960)
Purchase of Other Tangible Fixed Assets		(39,216)	(60,335)
Sale of Fixed Assets		39,977	41,160
Grant received		-	1,209,359
Net cash outflow for capital expenditure		<u>(3,352,077)</u>	<u>(5,933,118)</u>
Net cash outflow before financing		(1,961,179)	(2,436,111)
Financing			
Issue of Share Capital		9	8
Loans Received (net of arrangement fees paid)		2,386,456	3,075,809
Loans Repaid		(1,136,456)	(1,325,809)
Net cash inflow from financing		<u>1,250,009</u>	<u>1,750,008</u>
Decrease in cash in the year	27 (b)	<u>(711,170)</u>	<u>(686,103)</u>

The notes on pages 14 to 30 form part of these financial statements.

**IRVINE HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2105**

1. PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards and the Statement of Recommended Practice (SORP): Accounting by Registered Social Landlords 2010 and comply with the Determination of Accounting Requirements 2012. As explained at note 17, the accounts of Thistle Housing Services Limited have not been consolidated with those of the Association, as the Board considers this would be of no real value to the members of the Association in view of the insignificant amounts involved. This is in accordance with the requirements of FRS 2 and the Co-operative and Community Benefit Societies Act 2014. A summary of the more important accounting policies is set out below.

Turnover

Turnover represents rental and service charge income receivable and certain revenue grants together with other income.

Retirement Benefits

The Association's pension arrangements comprise participation in the Social Housing Pension Scheme (SHPS) and Strathclyde Pension fund (SPF). The assets of the schemes are held separately from those of the Association.

SHPS is a defined contribution scheme and as such no surplus or deficit is included in the financial statements and the accounting charge for the period is represented by the employer contribution payable.

SPF is a defined benefit scheme administered by Glasgow City Council. Payments are made to the independently administered scheme in accordance with periodic calculations by qualified actuaries. 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 in accordance with Financial Reporting Standard 17: Retirement Benefits and recognises the retirement benefits as the benefits are earned and not when they are due to be paid. The contributions are determined by qualified actuaries, on the basis of triennial valuations. In accordance with FRS17, the Association's share of a scheme deficit is recognised in full on the Balance Sheet and its share of a surplus is recognised to the extent that the surplus can be recovered.

Housing Properties

Housing properties are stated at cost less accumulated depreciation. Components and works to existing properties that result in an enhancement of economic benefit are depreciated over their useful economic lives. Useful economic lives for components are as follows:

Component	UEL
Structure	100 years
Kitchens	20 years
Bathrooms	30 years
Heating Systems	30 years
Boilers	15 years
Windows	25 years
External Doors	25 years
Roofs	60 years
Render	20 years

Any works that do not result in an enhancement of economic benefits are charged to the income and expenditure account in the year incurred. Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion.

First tranche shared equity sales

Shared equity properties are split proportionally between current and fixed assets based on the first tranche proportion. First tranche proportions are accounted for as current assets and the related sales proceeds shown in turnover. The remaining element of the shared equity property is accounted for as a fixed asset so that any subsequent sale is treated as a part disposal of a fixed asset.

Other Fixed Assets

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

Furniture & Equipment	20.00%
Plant & Machinery	33.33%
Office Property	6% to 10%

Housing Association Grant

Where developments have been financed wholly or partly by Housing Association Grant, the cost of those developments has been reduced by the amount of the grant received. Housing Association Grant in respect of housing properties in the course of construction, received in advance of expenditure, is shown as a current liability. Housing Association Grant in respect of major repairs which are of a revenue nature is credited to the income and expenditure account. Housing Association Grant received in respect of Homestake becomes repayable on disposal of properties. Where Housing Association Grant becomes repayable, it is shown as a current liability.

Other Grants

Where developments have been financed wholly or partly by other grants, the cost of those developments has been reduced by the amount of grant received. Other grants of a revenue nature are credited to the income and expenditure account when received.

Finance Costs

Arrangement fees in relation to the Bank Loans are charged to Income and Expenditure over the term of the facility. The unexpired portion is carried forward within the loan balance.

Related party transaction

The Association is a wholly owned subsidiary of The Riverside Group Ltd and is included in the consolidated financial statements of The Riverside Group Ltd, which are publicly available. The Association is exempt under the terms of FRS8 "Related Party Disclosures" from disclosing related party transactions with entities that are part of the Group.

Leases

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

Designated Reserves

The "Harbourside in Bloom" Reserve is a sum of money received from Irvine Development Corporation, the interest received on which is used to fund prizes in the Association's annual "Harbourside in Bloom" competition.

Capitalisation of Development Overheads

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

Taxation

The Association is a registered charity and is not therefore liable for corporation tax on its charitable activities.

**IRVINE HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2015**

2. Particulars of Turnover, Cost of Sales, Operating Costs and Operating Surplus

	Turnover £	Operating Costs £	2015 Surplus £	2014 Surplus / (deficit) £
Income & Expenditure from lettings				
Social Lettings	8,526,981	5,466,720	3,060,261	2,468,645
Other Activities	985,893	1,007,662	(21,769)	927,095
Total	9,512,874	6,474,382	3,038,492	3,395,740
2014	9,672,964	6,277,224		3,395,740

3(a). Particulars of Income and Expenditure from Social Lettings

	General Needs Housing £	Supported Housing £	Shared Ownership Housing £	Other £	2015 Total £	2014 Total £
Rent Receivable net of identifiable service charges	8,368,929	137,219	-	-	8,506,148	8,281,730
Service charges receivable	35,697	11,724	-	-	47,421	46,170
Gross income from rents and service charges	8,404,626	148,943	-	-	8,553,569	8,327,900
LESS: Rent losses from voids	25,224	1,364	-	-	26,588	22,463
Total income from social lettings	8,379,402	147,579	-	-	8,526,981	8,305,437
Management & maintenance administration costs	2,572,640	-	-	-	2,572,640	2,666,736
Service costs - landscape maintenance	412,660	-	-	-	412,660	443,447
Service costs - sheltered housing schemes	-	145,564	-	-	145,564	134,820
Planned & cyclical maintenance	698,994	39,260	-	-	738,254	1,200,798
Reactive maintenance	746,599	14,720	-	-	761,319	667,636
Bad debts - rents & service charges	51,225	371	-	-	51,596	7,907
Depreciation	775,383	9,304	-	-	784,687	705,826
Impairment of social housing	-	-	-	-	-	9,622
Total expenditure on lettings	5,257,501	209,219	-	-	5,466,720	5,836,792
Operating surplus on letting activities	3,121,901	(61,640)	-	-	3,060,261	2,468,645
Operating surplus from letting activities for 2014	2,516,355	(47,710)	-	-		2,468,645

The amount of service charges receivable on housing accommodation not eligible for Housing Benefit was £18,833 (2014 £16,065).

IRVINE HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2015

3(b) 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	Other Operating Costs	2015	2014
									£ Operating Surplus/ (Deficit)	£ Operating Surplus/ (Deficit)
Wider role activities	-	-	-	-	-	-	-	-	-	-
Care and Repair	-	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	75,553	75,553	30,361	119,694	(74,502)	(76,700)
Development and construction of property activities	-	-	-	-	-	-	-	-	-	-
Support activities	-	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-	-
Agency/management services for RSLs	-	-	-	-	-	-	-	-	-	-
Aids & Adaptations	238,409	-	-	-	-	238,409	-	238,409	-	53
Developments for sale to RSLs	-	-	-	-	-	-	-	-	-	-
Developments and Improvements for sale to non RSLs	-	-	-	-	-	-	-	-	-	-
New Shared Equity Scheme - 1st tranche	-	-	-	-	570,580	570,580	-	521,909	48,671	-
Other Activities	-	97,289	-	-	4,062	101,351	-	97,289	4,062	1,003,742
Total from other activities	238,409	97,289	-	-	650,195	985,893	30,361	977,301	(21,769)	927,095
2014	226,077	1,054,423	-	-	87,027	1,367,527	32,363	408,069	-	927,095

Other Revenue Grants includes restricted grant of £73,986 from the Big lottery for the provision of money advice and affordable warmth services.

4. Gain on Sale of Fixed Assets

	2015	2014
Proceeds from sale of housing accommodation	42,500	46,500
Costs of disposal of housing accommodation	(35,908)	(27,146)
	6,592	19,354

IRVINE HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2015

5. Employee Information

5(a) Directors' Emoluments

No member of the Board received any emoluments during the year.
 J Wood is an employee of the parent undertaking, The Riverside Group Ltd, and the costs are borne by the parent.

Emoluments of the Managing Director
 (excluding pension contributions)

Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions)

The number of directors whose emoluments (excluding pension contributions)
 paid or receivable within the following ranges was :

£60,000 to £69,999
 £70,000 to £79,999
 £80,000 to £89,999
 £90,000 to £99,999

5(b) Staff

Average number of persons employed during the year

Average number of full time equivalents employed during the year

Staff Costs

Wages and Salaries
 Social Security Costs
 Other Pension Costs

6. Interest Receivable and Other Income

Bank Interest Receivable

	2015	2014
	£	£
	78,008	92,681
	145,982	92,681
	1	-
	1	-
	-	1
	55	56
	5	6
	50.96	52.37
	£	£
	1,477,092	1,476,105
	101,628	109,665
	339,792	289,363
	1,918,512	1,875,133
	£	£
	2015	2014
	3,006	2,994
	3,006	2,994

IRVINE HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2015

7. Interest Payable and Similar Charges

On Bank Loans, Overdrafts and Other Loans:
 Repayable wholly or partly in more than five years

	2015	2014
	£	£
	1,496,793	1,537,774
	<u>1,496,793</u>	<u>1,537,774</u>

8. Surplus on Ordinary Activities before Taxation

Surplus on Ordinary Activities before Taxation is stated after charging / (crediting):

Depreciation on Tangible Fixed Assets	842,601	777,467
Auditor's Remuneration:		
In their capacity of Auditor	18,504	17,965
In respect of Other Services	-	-
Amortisation of Negative Goodwill	-	-
Hire of Equipment	5,813	5,884
	<u>5,813</u>	<u>5,884</u>

9. Taxation on Ordinary Activities

Current Tax Charge	-	-
Prior year adjustment	£	£
	<u>(2,512)</u>	<u>(2,512)</u>
Total Current Tax Charge	<u>(2,512)</u>	<u>(2,512)</u>

FRS19 reconciliation of current tax charge

Factors affecting the tax charge for the year

Surplus on activities before tax	1,607,298	1,875,307
Expected tax charge	337,533	431,321
Expenses not deductible for tax purposes	-	-
Capital allowances for the period in excess of depreciation	-	-
Adjustments relating to prior periods	-	-
Profits exempt from tax due to charitable exemption	(337,533)	(431,321)
Prior year adjustment	-	(2,512)
Unrelieved tax losses	-	-
Other short term timing differences	-	-
Actual tax charge for the year	<u>(2,512)</u>	<u>(2,512)</u>

IRVINE HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2015

10. Tangible Fixed Assets

	Housing Properties			Fixed Asset Investments	
	Rental £	Under construction £	Sub total £	Homestake £	NSSE £
Cost					
At 1 April 2014	64,431,498	11,902,998	76,334,496	593,713	-
Additions	474,851	2,611,810	3,086,661	-	-
Schemes completed in the year	6,774,953	(8,104,684)	(1,329,731)	-	1,329,731
Impairment	-	-	-	-	-
Disposals	(43,301)	-	(43,301)	-	-
At 31 March 2015	<u>71,638,001</u>	<u>6,410,124</u>	<u>78,048,125</u>	<u>593,713</u>	<u>1,329,731</u>
Depreciation					
At 1 April 2014	8,173,479	-	8,173,479	-	-
Charge for the year	784,686	-	784,686	-	-
Disposals	(2,717)	-	(2,717)	-	-
At 31 March 2015	<u>8,955,448</u>	<u>-</u>	<u>8,955,448</u>	<u>-</u>	<u>-</u>
Housing Association Grant					
At 1 April 2014	19,227,130	5,825,094	25,052,224	593,713	-
Received and receivable in the year	-	(724)	(724)	-	-
Schemes completed in the year	1,952,000	(2,440,000)	(488,000)	-	488,000
On disposals	-	-	-	-	-
At 31 March 2015	<u>21,179,130</u>	<u>3,384,370</u>	<u>24,563,500</u>	<u>593,713</u>	<u>488,000</u>
Other Grants					
At 1 April 2014	2,082,298	878,567	2,960,865	-	-
Received and receivable in the year	44,973	-	44,973	-	-
Schemes completed in the year	646,280	(798,280)	(152,000)	-	152,000
Disposals	(6,827)	-	(6,827)	-	-
At 31 March 2015	<u>2,766,724</u>	<u>80,287</u>	<u>2,847,011</u>	<u>-</u>	<u>152,000</u>
Net Book Value at 31 March 2015	38,736,699	2,945,467	41,682,166	-	689,731
Net Book Value as 31 March 2014	34,948,591	5,199,337	40,147,928	-	-

Investment in existing Housing Properties, including amount capitalised above, totalled £2,189,199 (2014 : £2,745,261). A number of damaged components were replaced in the year resulting in impairment of £nil (2014 : £9,621). The Association's latest valuation of its housing stock, for funding purposes, at Oct 2013 was £58.5m. The valuation was carried out on behalf of the Association's funders by DTZ.

IRVINE HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2015

10a. Tangible Fixed Assets (continued)

	Office Property & Tenant's Improvements £	Furniture & Equipment £	Plant & Machinery £	Total £
Cost				
At 1 April 2014	411,043	70,188	80,043	561,274
Additions	47,046	2,738	12,574	62,358
Disposals	-	(8,934)	(53,459)	(62,393)
At 31 March 2015	458,089	63,992	39,158	561,239
Depreciation				
At 1 April 2014	216,034	17,322	71,628	304,984
Charge for the year	39,008	12,931	5,975	57,914
Disposals	-	(8,471)	(53,374)	(61,845)
At 31 March 2015	255,042	21,782	24,229	301,053
Net Book Value at 31 March 2015	203,047	42,210	14,929	260,186
Net Book Value as 31 March 2014	195,009	52,866	8,415	256,290

IRVINE HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2015

11. Debtors: amounts due within one year

	2015	2014
	£	£
Rent Arrears	358,043	285,701
Bad Debt Provision	(422,961)	(354,194)
Other Debtors and Accrued Income	1,402,649	412,606
Housing Association Grant Receivable	63,672	-
	<u>1,401,403</u>	<u>344,113</u>

12. Investments

Charged Accounts

1,100,000

The Association invests surplus funds in short term money market deposits.

13. Cash at Bank and in hand

	2015	2014
	£	£
Cash at Bank and in hand	<u>381,986</u>	<u>1,093,156</u>

The Association manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held. At 31 March 2015 the Association had £11.25 million (2014 : £12.5 million) in undrawn loan facilities.

14. Creditors : Amounts falling due within one year

	2015	2014
	£	£
Sundry Creditors	423,599	402,374
Rents in Advance	188,751	159,544
Accruals and Deferred Income	1,718,692	1,024,262
Other Taxes	100,440	1,712
Funding in advance	20,766	35,181
Amounts due to group undertakings	414,152	1,258,889
	<u>2,866,400</u>	<u>2,881,962</u>

IRVINE HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2015

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

Housing Loans

Loans are secured by standard securities over the Association's Housing Properties and are repayable at varying rates of interest other than by instalments as follows:

two years or more but less than five years
 five years or more

	2015	2014
	£	£
	<u>37,121,485</u>	<u>35,864,176</u>
	<u>37,121,485</u>	<u>35,864,176</u>

The above figures includes a loan of £10m from The Riverside Group Ltd.

The above figure contains £128,515 of capitalised finance costs (2014 : £135,824). These are charged to Income and expenditure over the term of the facility.

The amount charged in 2015 was £7,309 (2014 : £7,309).

16. Share Capital

Shares of £1 each, Allotted, Issued and Fully Paid

	2015	2014
At 1 April	£	£
Issued during year	353	359
Cancelled	9	8
At 31 March	<u>(106)</u>	<u>(14)</u>
	<u>256</u>	<u>353</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends on a winding up. Each member has a right to vote at members' meetings.

17. Investment in Subsidiary Undertaking

On 23 October 1997 Irvine Housing Association Limited acquired the entire ordinary share capital of Thistle Housing Services Limited for no consideration. Thistle Housing Services Limited traded as lessors of property and equipment. The results of Irvine Housing Association Limited and Thistle Housing Services Limited have not been consolidated as the Board considers this to be of no real value due to the insignificant amounts involved. Thistle Housing Services Limited did not trade in the year to 31 March 2015.

**IRVINE HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2015**

18. Related Party Transactions

During the year purchases from Thistle Housing Services Limited amounted to £nil (2014:£nil). The balance outstanding to Thistle Housing Services Limited at the year end was £183 (2014: £183). During the year sales to Thistle Housing Services Limited amounted to £nil (2014 : £nil). The balance outstanding from Thistle Housing Services Limited at the year end was £nil (2014 : £nil). Various members of the Board and their relatives are tenants of the Association. All of these transactions have been carried out on the terms applicable to all tenants.

19. Pension Costs

The Association is an admitted body to the Strathclyde Pension Fund which is a defined benefit pension scheme providing benefits based on final pensionable salary. The latest formal actuarial valuation of the scheme took place at 31 March, 2014. At the date of the last formal valuation, the market value of the assets of the scheme which are held in a separately administered fund, was £13,949m and the value of the past service liabilities was £14,788m, leaving a deficit of assets of £839m. The assets therefore were sufficient to cover 94.3% of the benefits which had accrued to members after allowing for future increases in earnings. The actuary recommended future employer contribution rates of 19.3% for the years to 31 March 2016, 2017 and 2018.

A comprehensive report for FRS17 purposes has been produced and the following assumptions have been used.

	2015	2014
Inflation / Pension Increase Rate	2.50%	2.80%
Salary Increase Rate	4.40%	5.10%
Expected Return on Assets	3.30%	6.00%
Discount Rate	3.30%	4.30%

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2012 model assuming current rates of improvements have peaked and will converge to a long term rate of 1.5% p.a. for males and a 1.25% p.a. For females. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Male	Female
Current Pensioners	22.1 years	23.6 years
Future Pensioners	24.8 years	26.2 years

IRVINE HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2015

19. Pension Costs (continued)

The Association's share of assets in the scheme and expected rate of return were:

	31 March 2015	31 March 2014
Equities	£000	£000
Bonds	3.30%	6.60%
Property	3.30%	3.70%
Cash	3.30%	4.80%
Total market value of assets	82	354
	3.30%	3.70%
	<u>8,155</u>	<u>7,075</u>

Fair value of employee assets

Present value of scheme liabilities

Net Pension Deficit

2015	2014
£000	£000
8,155	7,075
(10,793)	(8,580)
<u>(2,638)</u>	<u>(1,505)</u>

Analysis of amount charged to operating profit

Current Service Costs	347	297
Interest Cost	376	344
Expected return on employers assets	(432)	(339)
Past service (gain) / cost	-	-
Losses / (gains) on curtailment and settlements	-	-
Total operating charge	<u>291</u>	<u>302</u>

Analysis of the amount credited to other finance income

Expected return on employers assets	432	339
Interest on pension scheme liabilities	(376)	(344)
Net return / (cost)	56	(5)
Net revenue account cost	<u>235</u>	<u>307</u>

Analysis of the amount recognised in Statement of Total Recognised Surpluses and Deficits (STRSD)

Actuarial gain / (loss) in pension plan	(1,111)	(328)
Effect of non-recognition of plan surplus in previous year	-	-
Actuarial gain / (loss) recognised in STRSD	<u>(1,111)</u>	<u>(328)</u>

IRVINE HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2015

19. Pension Costs (continued)
Movement in surplus / (deficit) during the year

	2015	2014
	£'000	£'000
(Deficit) / surplus at beginning of year	(1,505)	(1,112)
Current service cost	(347)	(297)
Employer contributions	269	237
Past service gains / (costs)	-	-
Curtailments and settlements	-	-
Net return on assets	56	(5)
Actuarial gain / (loss)	(1,111)	(328)
Deficit at end of year	<u>(2,638)</u>	<u>(1,505)</u>

History of Experience Gains and Losses

	2015	2014	2013	2012
Difference between the expected and actual return on assets	8,155	7,075	6,394	5,365
Fair value of employer's assets (£'000)	384	100	494	(415)
Experience gains / (losses) on employer's assets (£'000)	(10,793)	(8,580)	(7,506)	(5,948)
Present value of funded liabilities (£'000)	(2,638)	(1,505)	(1,112)	(583)

The total pension cost for the Association was £339,792 (2014 : £289,363). This includes £27,589 (2014 : £nil) outstanding contributions at the balance sheet date. The contribution rate payable by the Association was 19.3% (2014 : 19.3%) of pensionable salaries.

The Managing Director of the Association is an ordinary member of the pension scheme detailed above. No enhanced or special terms apply to membership and he has no other pension arrangements to which the Association contributes. The Association's contributions for the Managing Director in the year amounted to £13,630 (2014 : £16,202). The Association's contributions for the other Directors in the year amounted to £12,584 (2014 : £15,735).

IRVINE HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2015

	2015	2014
20. Revenue Reserve		
At 1 April 2014	3,890,526	835,700
Surplus for the year	1,629,297	1,877,826
Prior year adjustments	-	-
Actuarial Gain / (Loss) (note19)	-	(328,000)
At 31 March 2015	<u>5,519,823</u>	<u>2,385,526</u>
	<u>(2,638,000)</u>	<u>(1,111,000)</u>
	<u>2,881,823</u>	<u>2,385,526</u>

The Association has positive *general* reserves; however, as the Association is required to include its share of Strathclyde Pension Fund deficit on the balance sheet under Financial Reporting Standard 17, a negative pension reserve arises. The Association's share of the pension fund's deficit will be funded with on-going contributions over the coming years and does not represent an immediate cash requirement.

21. Designated Reserves

	2015	2014
At 1 April 2014	7,524	7,524
Transfer to income and expenditure account	(16)	(16)
At 31 March 2015	<u>7,508</u>	<u>7,508</u>

Interest earned on this cash-backed reserve is used to fund prizes at local events.

22. Stock / WIP

	2015	2014
Shared Equity properties under construction	-	753,088
	<u>-</u>	<u>753,088</u>

IRVINE HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2015

23. Housing Stock

The number of units of general needs accommodation in management at the beginning of the year
 The number of units of supported housing accommodation in management at the beginning of the year
 The total number of units in management at the beginning of the year

The number of units of general needs accommodation in management at the end of the year
 The number of units of supported housing accommodation in management at the end of the year
 The total number of units in management at the end of the year

The number of properties under construction at the year end was
 Land held for development has been funded by Housing Association Grant.

	2015	2014
	2,116	2,152
	41	41
	<u>2,157</u>	<u>2,193</u>
	2,163	2,116
	41	41
	<u>2,204</u>	<u>2,157</u>
	<u>15</u>	<u>62</u>

24. Financial Commitments

At 31 March 2015, the Association had annual commitments under operating leases as follows:

Operating leases which expire:
 Within one year
 Within 2 to 5 years
 After 5 years

	2015	2015	2014	2014
Land and Buildings	£ 9,450	£ -	Land and Buildings	£ 9,450
	69,854	5,285		69,854
	<u>79,304</u>	<u>5,285</u>		<u>79,304</u>
				<u>5,285</u>

Land and Buildings leases may be cancelled after five years. Operating leases may be cancelled at the lessee's request.

25. Capital Commitments

Future Capital Expenditure:
 Authorised and contracted
 Authorised but not yet contracted

	2015	2014
	£ 1,777,831	£ 7,473,012
	<u>-</u>	<u>-</u>

It is expected these commitments will be funded by HAG and Private Finance.

IRVINE HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 MARCH 2015

26. Ultimate Parent Undertaking and Controlling Party

The ultimate parent undertaking and controlling party is The Riverside Group Ltd, registered in England as a charitable Industrial & Provident Society (Reg. No, 30938R) and Registered Provider of Social Housing Reg. No. L4552). A copy of the Group financial statements can be obtained from The Riverside Group Ltd, 2 Estuary Boulevard, Estuary Commerce Park, Liverpool, L24 8RF.

27. Notes to the Cash Flow Statement

- a) Reconciliation of operating surplus to net cash inflow from operating activities
- Operating Surplus
 - Depreciation & Impairment
 - Pension - FRS17 adjustment
 - Amortisation of loan costs
 - (Increase) / Decrease in debtors
 - Increase / (Decrease) in creditors

Net cash inflow from operating activities

- b) Analysis of net debt

	2015	2014
Operating Surplus	3,038,492	3,395,740
Depreciation & Impairment	842,601	787,089
Pension - FRS17 adjustment	78,000	60,000
Amortisation of loan costs	7,309	7,309
(Increase) / Decrease in debtors	(1,132,902)	235,838
Increase / (Decrease) in creditors	43,876	521,217
Net cash inflow from operating activities	2,877,376	5,007,193

	at 1 April 2014	Non cash movement	Cash Flow	at 31 March 2015
Cash at Bank and in hand	£ 1,093,156	£ -	£ (711,170)	£ 381,986
Debt due after one year	(35,864,176)	(7,309)	(1,250,000)	(37,121,485)
Total	(34,771,020)	(7,309)	(1,961,170)	(36,739,499)

	2015	2014
Increase/(decrease) in cash in the year	£ (711,170)	£ (686,103)
Cash inflow from increase in debt	(1,250,000)	(1,750,000)
Non cash movement - write off of arrangement fee relating to loans repaid	(7,309)	(7,309)
Movement in net debt in the year	(1,968,479)	(2,443,412)
Net debt at 1 April 2014	(34,771,020)	(32,327,608)
Net debt at 31 March 2015	(36,739,499)	(34,771,020)