

LINTHOUSE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

Financial Conduct Authority No. 1800 R S

Registered Housing Association No. XH 149

Charity No. SC028161

FRENCH DUNCAN LLP
Chartered Accountants & Statutory Auditors
133 Finnieston Street
Glasgow
G3 8HB

LINTHOUSE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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Registration Particulars:

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014
Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered Number XH 149
Scottish Charity	Charity and Trustee Investment (Scotland) Act 2005 Scottish Charity Number SC 028161

LINTHOUSE HOUSING ASSOCIATION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

31 MARCH 2015

Chairperson

A Leishman

Secretary

T McMahon

Registered Office

1 Cressy Street
Glasgow G51 4RB

Bankers

Bank of Scotland
816 Govan Road
Glasgow G51 3UP

The Royal Bank of Scotland plc
Glasgow Govan Branch
788 Govan Road
Glasgow G51 2YL

Solicitors

Hennessy Bowie & Co
2 Kenmure Lane
Bishopbriggs
Glasgow, G64 2RA

Strefford Tulips
118 Cadzow Street
Hamilton ML3 6HP

T.C. Young
7 West George Street
Glasgow
G2 1BA

Auditors

French Duncan LLP
133 Finnieston Street
Glasgow
G3 8HB

LINTHOUSE HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2015

The Committee of Management present their report and audited financial statements for the year ended 31 March 2015.

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014. The Association is a registered Scottish Charity and as a Registered Social Landlord with the Scottish Housing Regulator.

Principal activities

The principal activity of the Association is the management, maintenance and development of housing for people in housing need.

Business Review

The Committee of Management are satisfied with the Association's performance during the year in all of the above activities. Although, we have not developed any homes this year we were able to take advantage of Glasgow City Council's Affordable Housing Programme to purchase 8 flats 5 of which are at Kennedar Drive within one block which will allow us to carry out a full refurbishment of the 8 flats in the block and improve the look of the entire area.

Surplus for the Year

The results for the year are shown in the Income & Expenditure Account on page 9.

Changes in Fixed Assets

Details of movements in fixed assets are shown in Note 8.

Members of Committee of Management

The Members of the Committee of the Association during the year to 31 March 2015 were as follows:

Alexander Leishman (Chairperson)	Pamela Devoy
Thomas McMahan (Secretary)	Alison Guthrie
Andreas Elmecker (Vice Chair)	Richard Wilkins
Iain McLeish	Cllr Stephen Dornan
	Cllr James Adams

Each member of the Committee of Management holds one fully paid share of £1 in Linthouse. The executive officers of Linthouse hold no interest in Linthouse's share capital and although not having the legal status of "director" they act as executives within the authority delegated by the Committee.

Executive Team

The Executive Team of Linthouse during the year to 31 March 2015 was as follow

Kenneth MacLeod	Interim Director
Karen Houston	Finance Manager
David Cowan	Maintenance Manager

LINTHOUSE HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2015

Credit Payment Policy

The Association's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The average payment period is under thirty days.

Maintenance Policies

Linthouse HA seeks to maintain its properties to the highest standard. To this end, programmes of cyclical repairs are carried out in the medium term. It is expected that the cost of all such repairs will be charged to the Income and Expenditure Account.

In addition, Linthouse HA has a long term programme of major repairs to cover for work which has become necessary since the original development was completed, including works required for subsequent legislative changes. This includes replacement of components of the properties which have come to the end of their economic lives. In line with the SORP 2010, replacements to building components (as identified in Note 1) are capitalised in the accounts as they occur. All other major repairs are charged to the Income and Expenditure account.

Treasury Management

Linthouse HA has an active treasury management function, which operates in accordance with the Treasury Management Policy approved by the Committee of Management. In this way Linthouse HA manages its investment and 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 Linthouse HA has a mix of fixed and variable rate loans, which it considers appropriate at this time.

Employee Involvement and Health and Safety

Linthouse HA takes seriously its responsibilities to employees and as a policy, provides employees with information on matters of concern to them. It is also the policy of the Association to consult where practical, employees or their representatives so that their views may be taken into account in making decisions likely to affect their interests.

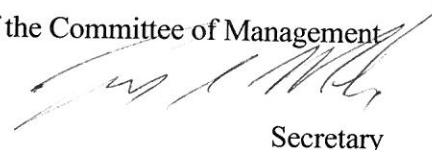
Future developments

The Association will continue with its policy of improving the quality of housing and housing services within its area of activity working with its existing and new partners.

Auditors

A resolution to re-appoint the auditors, French Duncan LLP will be proposed at the Annual General Meeting.

On behalf of the Committee of Management



Secretary

Date: 23/09/2015

LINTHOUSE HOUSING ASSOCIATION LIMITED

STATEMENT OF MANAGEMENT COMMITTEE RESPONSIBILITIES

Under the legislation relating to the Co-operative and Community Benefit Societies Act 2014 we are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those financial statements we are required to:

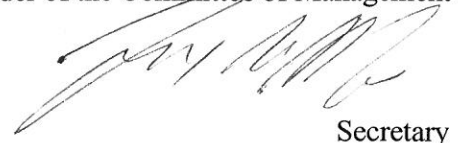
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the RSL SORP;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and;
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Association will continue in business.

We are also responsible for:

- keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the RSL and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – April 2012;
- safeguarding the Association's assets and;
- taking reasonable steps for the prevention and detection of fraud.

As far as the Committee members are aware there is no relevant audit information of which the auditors are unaware and the Committee members have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to ensure that the auditors are aware of such information.

By order of the Committee of Management



Secretary

Date: 23/09/2015

LINTHOUSE HOUSING ASSOCIATION LIMITED

COMMITTEE OF MANAGEMENT'S STATEMENT ON INTERNAL

FINANCIAL CONTROL

31 MARCH 2015

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

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

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

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets.
- Experienced and suitably qualified staff take responsibility for important business functions.
- Forecasts and budgets are prepared regularly which allow the Committee and staff to monitor the key business risks and financial objectives and progress towards the financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variance from budgets are investigated as appropriate.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures.
- The Committee review reports from management and from both internal and external auditors to provide reasonable assurance that control procedures are in place and are being followed.
- Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

LINTHOUSE HOUSING ASSOCIATION LIMITED
COMMITTEE OF MANAGEMENT'S STATEMENT ON INTERNAL
FINANCIAL CONTROL

31 March 2015
(Continued)

The Management have reviewed the system of internal financial control in the Association during the year ended 31 March 2015. No weaknesses were found in internal financial controls, which could result in material losses, contingencies, or uncertainties, which require disclosure in the financial statements or in the auditor's report on the financial statements.

By order of the Committee of Management



Secretary

Date: 23/09/2015

LINTHOUSE HOUSING ASSOCIATION LIMITED

AUDITOR'S REPORT ON CORPORATE GOVERNANCE MATTERS

31 March 2015

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 5 and 6 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on pages 5 and 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 Management Committee and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the association's compliance with the information required by 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.



French Duncan LLP
Statutory Auditors
133 Finnieston Street
Glasgow
G3 8HB

Date: 23/09/2015

LINTHOUSE HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LINTHOUSE HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Linthouse Housing Association Limited for the year ended 31 March 2015 on pages 9 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Committee and auditor

As explained more fully in the Committee's Responsibilities Statement set out on page 10, the Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2015 and of its income and expenditure for the year then ended; and
- 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 – April 2012.

Matters on which we are required to report by exception

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

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



FRENCH DUNCAN LLP
Statutory Auditor
Chartered Accountants
133 Finnieston Street
Glasgow
G3 8HB

Date: 23/09/2015

LINTHOUSE HOUSING ASSOCIATION LIMITED

INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015	2014
		£	£
Turnover	2	4,004,044	3,865,826
Less: Operating costs	2	<u>(3,656,892)</u>	<u>(3,176,857)</u>
Operating surplus		347,152	688,969
(Loss) on disposal of fixed assets		(45,941)	(49,507)
Interest receivable and other income		14,884	24,707
Interest payable and other charges	4	<u>(40,876)</u>	<u>(44,251)</u>
Surplus on ordinary activities before taxation		275,219	619,918
Taxation on surplus on ordinary Activities	5	<u>-</u>	<u>-</u>
Surplus for the year		<u>275,219</u>	<u>619,918</u>

The results for 2015 and 2014 relate wholly to continuing activities.

There are no other gains or losses in 2015 or 2014 other than the surplus above.

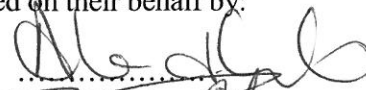
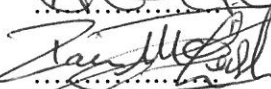
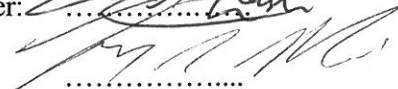
LINTHOUSE HOUSING ASSOCIATION LIMITED

BALANCE SHEET

AS AT 31 MARCH 2015

	Notes	2015	2014
		£	£
Tangible Fixed Assets			
Housing properties-depreciated cost	8a	39,260,015	38,794,650
Less: HAG and other grants	8a	(31,542,608)	(30,988,896)
		7,717,407	7,805,754
 Other Fixed Assets	 8b	 580,886	 652,857
		8,298,293	8,458,611
 Current Assets			
Debtors	10	510,938	467,515
Investments	9	11,258	10,923
Cash at bank and in hand		2,414,931	2,081,514
		2,937,127	2,559,952
 Creditors: amounts falling due within one year	 11	 (929,570)	 (883,073)
 Net current assets		 2,007,557	 1,676,879
 Total assets less current liabilities		 10,305,850	 10,135,490
 Creditors: amounts falling due after more than one year	 12	 (1,019,989)	 (1,124,838)
 Net Assets		 9,285,861	 9,010,652
 Capital & Reserves			
Share capital	13	202	212
Designated Reserves	6	6,010,684	5,837,318
Revenue reserves	7	3,274,975	3,173,122
		9,285,861	9,010,652

These financial statements were approved by the Committee of Management and authorised for issue on 23.09.15 and signed on their behalf by:

Committee Member:		ALISON GUTHRIE
Committee Member:		IAIN MCLEISH
Secretary:		THOMAS MCMAHON

LINTHOUSE HOUSING ASSOCIATION LIMITED

CASH FLOW STATEMENT

YEAR TO 31 MARCH 2015

	Notes	2015	2014
		£	£
Net cash inflow from operating activities	17	805,752	919,818
Returns on investment and servicing of finance			
Interest received		14,884	24,707
Interest paid		<u>(40,876)</u>	<u>(44,251)</u>
Net cash (outflow) from returns on investments and servicing of finance		<u>(25,992)</u>	<u>(19,544)</u>
Investing activities			
Cash paid for construction and purchase of housing		(875,945)	(266,443)
Proceeds of disposals		-	18,399
HAG repayments		-	-
Housing association grant received		568,159	28,680
Purchase of other fixed assets		(33,835)	(26,485)
Payments for investments		<u>-</u>	<u>(353)</u>
Net cash (outflow) from investing activities		<u>(341,621)</u>	<u>(246,202)</u>
Net cash inflow/(outflow) before financing		438,139	654,072
Financing			
Loan principal repayments		(104,712)	(106,795)
Shares issued		<u>(10)</u>	<u>6</u>
Net cash (outflow) from financing		<u>(104,722)</u>	<u>(106,789)</u>
Increase/(Decrease) in cash and cash equivalents		<u><u>333,417</u></u>	<u><u>547,283</u></u>

Further information is given in note 17

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015

1. Accounting Policies

Introduction and accounting basis

The principal accounting policies of the Association are set out in the paragraphs (a) to (p) below. The Association is incorporated under the Co-operative and Community Benefits Societies Act 2014 and is registered with the Financial Conduct Authority. The accounts have been prepared under the historical cost convention, and in compliance with The Determination of Accounting Requirements – April 2012 and The Statement of Recommended Practice (SORP), “Accounting by Registered Social Housing Providers Update 2010” and relevant accounting standards.

(a) Turnover

Turnover relates to the income from the letting of properties at affordable rents, and the supply of factoring services, together with revenue grants from a grant awarding body, local authorities and other organisations.

(b) Finance

The financial statements have been prepared on the basis that the capital expenditure referred to in note 8(a) will be grant aided, funded by loans or met out of reserves, or from proceeds of sales.

(c) Mortgages

Mortgage loans are advanced by private lenders under the terms of the individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments, which have been given approval for Housing Association Grant by the grant awarding body.

(d) Housing Association Grants

Housing Association Grants (HAG) are made by the grant awarding body and are utilised to reduce the amount of mortgage loan in respect of an approved scheme to the amount which it is estimated can be serviced by the net annual income of the scheme. The amount of HAG is calculated on the qualifying cost (note 1(f)) of the scheme in accordance with instructions issued from time to time by the grant awarding body. HAG and other grants are repayable under certain circumstances. These include the disposal of the properties to which the grants relate.

(e) Housing Association Grant - Acquisition and Development Allowances receivable

Acquisition and Development Allowances are determined by the grant awarding body and are advanced as grants. They are intended to finance certain internal administrative costs relating to the acquisition and development of housing land and buildings for approved schemes. Development Allowances become available in instalments according to the progress of work on the scheme. These Allowances are credited to development costs when they are receivable.

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015

(Continued)

(f) **Fixed assets - Housing land and buildings** (note 8)

Properties included in fixed assets are stated at cost. The cost of such properties includes the following:

- (i) cost of acquiring land and buildings
- (ii) development expenditure including applicable overheads
- (iii) interest charged on the loans raised to finance the scheme

These costs are either termed "qualifying costs" by Glasgow City Council for approved HAG schemes and are considered for mortgage loans by the relevant lending authorities or they are met out of the Association's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value before retentions are included in the financial statements for the year, provided that the dates of issue or valuations are prior to the year end.

Development costs are capitalised to the extent that they are attributable to specific schemes and where such costs are not felt to be excessive.

If expenditure does not qualify for HAG, it is nevertheless capitalised.

Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the scheme will not be developed to completion.

Interest on the loan financing the development is capitalised up to the relevant date of completion.

(g) **Depreciation**

(i) **Housing Properties**

Housing Properties are stated at cost, less social housing and other public grants and less accumulated depreciation.

(ii) Depreciation is charged on a straight line basis over the expected economic useful lives of each major component that makes up the housing property as follows:

Land	Not depreciated
Structure	Over 60 years
Kitchens	Over 20 years
Bathrooms	Over 30 years
Windows	Over 35 years
Heating Boilers	Over 15 years
Radiators	Over 30 years
Lifts	Over 30 years

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015

(Continued)

(g) **Depreciation (continued)**

(iii) **Other fixed assets**

The Association's assets are written off evenly over their expected useful lives as follows:

Commercial & Office Premises	-	1.6% to 6.6%
Fixtures & Fittings	-	10% to 25%
Vehicles	-	25%
Office alteration	-	25%

A full year's depreciation is charged on these assets in the year of purchase, but no charge is made in the year of disposal.

(h) **Sale of housing properties**

Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale. Any grants received that cannot be repaid from the proceeds of sale are abated and the grants removed from the financial statements.

First tranche Shared Ownership disposals are credited to turnover on completion, the cost of construction of these sales is taken to operating costs. Disposals of subsequent tranches are treated as fixed asset disposals with the gain or loss on disposal taken to the income and expenditure account, in accordance with the SORP.

Disposals under shared equity schemes are accounted for in the income and expenditure account. The remaining equity in properties sold before 1 April 2008 is treated as a fixed asset investment, which is matched with the grant received. For properties sold after 1 April 2008 the standard security over the remaining equity lies with the Scottish Government and is therefore not reflected in the Association's balance sheet.

(i) **Impairment of fixed assets**

Reviews for impairment of housing properties are carried out on an annual basis and any impairment in an income-generating unit is recognised by a charge to the income and expenditure account. Impairment is recognised where the carrying value of an income-generating unit exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows from these units.

Impairment of assets would be recognised in the income and expenditure account.

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015

(j) **Reserves**

Designated reserve - Reserves for future cyclical repairs and maintenance (note 6)

Accrued cyclical maintenance, being the Association's commitment to maintain its properties in accordance with planned programme of works, is set aside in a designated reserve, to the extent that it will not be met from revenue in the year in which it is incurred.

Designated reserve – Reserve for major repairs (note 6)

Accrued major repair expenditure, being the Association's commitment to undertake major repairs to its properties, is set aside in a designated reserve to the extent that it is not met from HAG.

(k) **Apportionment of management expenses**

Direct employee administration and operating costs have been apportioned to the income and expenditure account on the basis of costs of the staff to the extent that they are directly engaged in each of the operations dealt with in those accounts.

(l) **Lease obligations**

Rentals paid under operating leases are charged to the income and expenditure account on the accruals basis.

(m) **Investments** (note 9)

Investments in shares are stated at market value.

(n) **Pensions**

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

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

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015

(o) **Consolidation**

The Association and its subsidiary undertaking comprise a group. The Financial Conduct Authority has granted exemption from preparing group financial statements due to immateriality. The accounts therefore represent the results of the Association and not of the group.

(p) **Service charges recoverable**

Service charges represent income recoverable from tenants for factoring of the properties managed by the Association.

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015

(Continued)

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

	Turnover £	Operating Costs £	Operating Surplus/ (Deficit) £	Operating Surplus/ (Deficit) 2014 £
Social lettings	3,834,263	3,345,005	489,258	803,703
Other activities	169,781	311,887	(142,106)	(114,734)
Total	<u>4,004,044</u>	<u>3,656,892</u>	<u>347,152</u>	<u>688,969</u>
2014	<u>3,865,826</u>	<u>3,176,857</u>	<u>688,969</u>	

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015

(Continued)

3. Particulars of turnover, operating costs and operating surplus or deficit from social letting activities

	General Needs Housing £	Shared Ownership £	Supported Housing £	2015 Total £	2014 Total £
Rent receivable net of identifiable service charges	3,228,620	97,076	326,041	3,651,737	3,486,276
Service charges	45,290	2,496	133,426	181,212	170,023
Gross income from rents and service charges	3,273,910	99,572	459,467	3,832,949	3,656,299
Less: Rent loss from voids	(28,662)	-	(2,717)	(31,379)	(16,702)
Net income from rents and service charges	3,245,248	99,572	456,750	3,801,570	3,639,597
Grants from Scottish Ministers	-	-	-	-	-
Grants from Glasgow CC	-	-	-	-	-
Other Revenue Grants	8,450	-	24,243	32,693	55,328
Total turnover from social letting activities	3,253,698	99,572	480,993	3,834,263	3,694,925
Management and maintenance administration costs	1,224,112	38,198	229,560	1,491,870	1,392,844
Service costs	72,387	1,579	113,464	187,430	184,920
Planned and cyclical maintenance including major repairs costs	405,398	-	118,152	523,550	259,080
Reactive maintenance costs	714,881	2,519	43,120	760,520	662,717
Bad debts – rents and service charges	31,842	-	-	31,842	50,585
Depreciation of social housing	341,277	8,516	-	349,793	341,076
Total Expenditure on Lettings	2,789,897	50,812	504,296	3,345,005	2,891,222
Operating Surplus on Letting Activities	463,801	48,760	(23,303)	489,258	803,703
2014	654,532	28,092	121,079	-	803,703

The amount of service charges receivable on housing accommodation not eligible for Housing Benefit was £40,612 (2014 - £38,422).

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015

3b – 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	Operating surplus/ (deficit)	Operating surplus/ (deficit) for previous period of account
	£	£	£	£	£	£	£	£	£
Wider action/wider role	-	28,746	-	4,500	33,246	-	59,373	(26,127)	(39,288)
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	53,919	53,919	5,483	47,334	1,102	22,849
Development and construction of property activities	-	-	-	-	-	-	-	-	-
Support activities	-	-	80,951	284	81,235	-	199,697	(118,462)	(98,295)
Care activities	-	-	-	-	-	-	-	-	-
Agency/management services for registered social landlords	-	-	-	-	-	-	-	-	-
Other agency/management services	-	-	-	1,381	1,381	-	-	1,381	-
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to non registered social landlords	-	-	-	-	-	-	-	-	-
Other activities – environmental works	-	-	-	-	-	-	-	-	-
Total from other activities	-	28,746	80,951	60,084	169,781	5,483	306,404	(142,106)	(114,734)
2014	-	38,778	80,951	51,172	170,901	(15,655)	301,290	(114,734)	

Income from other activities represents a grant for environmental works at Langlands.

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015

(Continued)

	2015 £	2014 £
4. Interest payable		
Bank & Loan Interest	<u>40,876</u>	<u>44,251</u>

5. Corporate Taxation

Association has charitable status and is not liable for tax on its exempt activities.

6. Designated Reserves	At 31 March 2014 £	(To)/From Revenue Reserves £	To/From Major Repairs Reserve £	At 31 March 2015 £
Cyclical maintenance reserve	336,179	-	-	336,179
Major repairs reserve	5,501,139	275,219	(101,853)	5,674,505
	<u>5,837,318</u>	<u>275,219</u>	<u>(101,853)</u>	<u>6,010,684</u>

No restrictions are placed upon these reserves.

7. Revenue Reserve	2015 £	2014 £
At 1 April 2014	3,173,122	3,173,122
Transfer to designated reserve (Note 6)	(173,366)	(619,918)
Surplus for year	275,219	619,918
At 31 March 2015	<u>3,274,975</u>	<u>3,173,122</u>

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015

(Continued)

8a. Tangible Fixed Assets

	Housing Properties Held for Letting	Housing Properties in course of construction	Completed Shared Ownership properties	Total
Cost	£	£	£	£
At 1 April 2014	39,044,319	-	2,875,064	41,919,383
Additions during year	875,945	-	-	875,945
Disposals in year	(133,959)	-	-	(133,959)
At 31 March 2015	39,786,305	-	2,875,064	42,661,369
Housing Association & Other Grants				
At 1 April 2014	28,366,692	-	2,622,204	30,988,896
Additions during year	568,159	-	-	568,159
Repaid and abated during year	(14,447)	-	-	(14,447)
At 31 March 2015	28,920,404	-	2,622,204	31,542,608
Depreciation				
At 1 April 2014	3,009,591	-	115,142	3,124,733
Provided during year	341,277	-	8,516	349,793
Disposals during year	(73,172)	-	-	(73,172)
At 31 March 2015	3,277,696	-	123,658	3,401,354
Net Book Value				
At 31 March 2015	7,588,205	-	129,202	7,717,407
At 31 March 2014	7,668,036	-	137,718	7,805,754

None of the Association's land or properties was held under a lease. Development administration costs capitalised amounted to £Nil (2014£: Nil) for which Housing Association Grant amounting to £Nil (2014: £Nil) were recorded in the year. Of the total amount capitalised in the year for housing properties held for rent £334,419, (2014: £266,443) related to replacements of components and £Nil (2014: £Nil) related to property investments.

Total major repairs costs during the year were £857,969 (2014: £363,342) of which £334,419, (2014: £266,443) as mentioned above, have been capitalised.

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015
(Continued)

8b. Fixed Assets - Other

	Land and commercial properties	Freehold offices	Fixtures and Fittings	Office alterations	Motor Vehicles	Total
Cost	£	£	£	£	£	£
At 1 April 2014	156,977	563,201	1,082,434	68,422	17,844	1,888,878
Additions	-	-	8,166	-	25,669	33,835
Disposals	-	-	-	-	(17,844)	(17,844)
At 31 March 2015	<u>156,977</u>	<u>563,201</u>	<u>1,090,600</u>	<u>68,422</u>	<u>25,669</u>	<u>1,904,869</u>
Housing Association & Other Grants						
At 1 April 2015	-	-	70,000	-	-	70,000
Additions	-	-	-	-	-	-
At 31 March 2015	<u>-</u>	<u>-</u>	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>70,000</u>
Depreciation						
At 1 April 2014	98,492	112,055	873,500	64,130	17,844	1,166,021
Charge for year	1,657	9,387	84,053	4,292	6,417	105,806
Disposals	-	-	-	-	(17,844)	(17,844)
At 31 March 2015	<u>100,149</u>	<u>121,442</u>	<u>957,553</u>	<u>68,422</u>	<u>6,417</u>	<u>1,253,983</u>
Net Book Value						
At 31 March 2015	<u>56,828</u>	<u>441,759</u>	<u>63,047</u>	<u>-</u>	<u>19,252</u>	<u>580,886</u>
At 31 March 2014	<u>58,485</u>	<u>451,146</u>	<u>138,934</u>	<u>4,292</u>	<u>-</u>	<u>652,857</u>

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015
(Continued)

9. Investments	2015	2014
	£	£
Investment in subsidiary undertaking	1	1
Shares, Standard Life (at market value)	11,257	10,922
	11,258	10,923
Investment in subsidiary undertaking	1	1

The Association holds a 100% shareholding in Linthouse Urban Village Café Limited, a company incorporated in Scotland. The above investment consists of one £1 ordinary share.

The subsidiary's results for the year and level of reserves were as follows:

Company	Capital and Holding	Turnover	Profit for period	Capital and reserves
		£	£	£
Linthouse Urban Village Café Limited	100%	57,419	2,388	1,134

10. Debtors	2015	2014
	£	£
Amounts falling due within one year:		
Gross rents in arrears	278,409	223,693
Less bad debt provision	(176,124)	(132,296)
	102,285	91,397
Development funding receivable	-	-
Other debtors	360,252	298,820
Prepayments and accrued income	48,401	77,298
	510,938	467,515
11. Creditors due within one year	2015	2014
	£	£
Loans	104,699	104,562
Trade Creditors	3,875	3,245
Taxation and social security	18,590	18,183
Other creditors	354,429	280,536
Accruals and deferred income	237,421	256,708
Rents in advance	210,556	219,839
	929,570	883,073

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015

(Continued)

12. Creditors due after more than one year	2015	2014
	£	£
Loans	1,019,989	1,124,838
	<u> </u>	<u> </u>

Loans are secured by specific charges on the Association's properties. Loans are repayable at rates of interest of 1.25% to 5.09% (2014: 1.25% to 5.09%) in instalments due as follows:

Within one year	104,699	104,562
Between one and two years	104,705	107,750
Between two and five years	314,114	344,192
In five years or more	601,170	672,896
	<u>1,124,688</u>	<u>1,229,400</u>

13. Share Capital	2015	2014
	£	£
Shares of £1 full paid and issued at 1 April 2014	212	238
Shares cancelled	(12)	(32)
Shares issued during year	2	6
Shares issued at 31 March 2015	<u>202</u>	<u>212</u>

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

14. Employees	2015	2014
	£	£
Staff costs during year		
Wages and salaries	846,626	824,299
Social Security costs	85,849	72,579
Other pension costs	227,209	100,569
	<u>1,159,684</u>	<u>997,447</u>

	No	No
The average full time equivalent number of persons employed by the Association during the year were as follows:	<u>27</u>	<u>27</u>

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015

(Continued)

14. Employees (continued)

The Directors are defined as the members of the Management Committee, the Director and any other person reporting directly to the Directors or the Management Committee whose total emoluments including pension contributions exceed £60,000 per year (2014 - £60,000 per year).

	£	£
Aggregate Emoluments payable to Directors (including pension contributions and benefits in kind)	<u>124,325</u>	<u>175,132</u>
Emoluments payable to Highest Paid Director (excluding pension contributions)	<u>68,234</u>	<u>62,701</u>

The Association's pensions contributions for the Directors in the year amounted to £14,974 (2014: £15,162).

The emoluments of the directors whose emoluments, excluding pension contributions, were over £60,000 were as follows

	2015 No	2014 No
£60,001 to £70,000	1	1
£70,000 to £80,000	-	-
Expenses paid to management committee	£308	£382

15. Pension Scheme

Lighthouse Housing Association Limited participates in SHAPS (the "Scheme"). The Scheme is funded and is contracted out of the State Pension scheme.

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

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

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

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015

(Continued)

15. Pension Scheme (continued)

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2013. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £470 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £272 million, equivalent to a past service funding level of 63%

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

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

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

Linthouse Housing Association Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from SHAPS based on the financial position of the Scheme as at 30 September 2014. As of this date the estimated employer debt for Linthouse Housing Association Limited was £6,101,082.

The Scheme offers five benefit structures to employers, namely:

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

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. The DC option can be introduced by the employer on the first day of any month after giving a minimum of three month's prior notice.

Linthouse Housing Association has elected to operate the final salary with a 1/60th accrual rate benefit option for active members as at 1 April 2012 the same benefit structure for any new entrants.

During the accounting period Linthouse Housing Association paid contributions at the rate of 12.3% of pensionable salaries. Member contributions were 12.3%.

As at the balance sheet date there were 8 active members of the Scheme employed by Linthouse Housing Association. The annual pensionable payroll in respect of these members was £326,064.

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015

(Continued)

15. Pension Scheme (continued)

Linthouse Housing Association has been notified by the Pension Trust of the Scottish Housing Association Pension Scheme (SHAPS) that past service deficit contributions payable for the year to 31 March 2015 is £187,678.

The deficit contribution will increase to £193,116 as from 1 April 2015 and will increase by 3% a year for the next 12.5 years.

Linthouse Housing Association continues to offer membership of the Scheme to its employees.

The key valuation assumptions used to determine the assets and liabilities of the Scottish Housing Associations' Pension Scheme are:

2012 Valuation Assumptions	% p.a.
Investment return pre-retirement	5.34
Investment return post retirement – Non pensioners	3.4
Investment return post retirement – Pensioners	3.4
Rate of salary increases	4.1
Rate of pension increases	
- Pension accrued pre 6 April 2005 in excess of GMP	2.0
- Pension accrued post 6 April 2005 (for leavers before 1 October 1993 pension increases are 5.0%)	1.7
Rate of price inflation	2.6

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

Contribution Rates for Future Service (payable from 1 April 2014)	% p.a.
Final salary 1/60ths	24.6
Career average revalued earnings 1/60ths	22.4
Career average revalued earnings 1/70ths	19.2
Career average revalued earnings 1/80ths	16.9
Career average revalued earnings 1/120ths	11.4

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

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

**AS AT 31 MARCH 2015
(Continued)**

	2015	2014		
	£	£		
16. Auditors' Remuneration				
The remuneration of the auditors (including expenses and including VAT for the year)	8,940	8,940		
	8,940	8,940		
17. Notes to the Cash Flow Statement				
a. Reconciliation of surplus to net cash inflow from operating activities	2015	2014		
	£	£		
Operating Surplus for year	347,152	688,969		
Depreciation	455,602	435,511		
Increase in debtors	(43,423)	(125,872)		
Increase/(Decrease) in creditors	46,421	(78,758)		
Decrease in share capital	-	(32)		
Net cash inflow from operating activities	805,752	919,818		
	2015	2014		
	£	£		
b. Reconciliation of net cash flow to movement in net debt				
Increase/(Decrease) in cash for the year	333,417	547,283		
Loan repayments	104,712	106,795		
Change in net debt	438,129	654,078		
Net cash as at 1 April 2014	852,114	198,036		
Net cash as at 31 March 2015	1,290,243	852,114		
c. Analysis of Changes in net debt	As at	Cash Flow	Other	As at
	31 March		changes	31 March
	2014	£	£	2015
	£			£
Cash at bank and in hand	2,081,514	333,417	-	2,414,931
Debt due within one year	(104,562)	104,712	(104,849)	(104,699)
Debt due after one year	(1,124,838)	-	104,849	(1,019,989)
	852,114	438,129	-	1,290,243

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015

(Continued)

	2015	2014
	£	£
18 Capital Commitments		
Expenditure authorised by the committee of management contracted less certified	-	-

19. Housing Stock

The number of units in Management as at 31 March 2015 was as follows:

	2015	2014
	No.	No.
General Needs Housing	1,064	1,056
Supported Housing Accommodation	75	75
Shared Ownership Accommodation	49	49
	<u>1,188</u>	<u>1,180</u>

20. Related parties

The Association has taken advantage of the exemption in Financial Reporting Standard 8 from the requirement to disclose transactions with group companies.

Committee members

Various members of the Committee and their relatives are tenants of the Association. All of the transactions between them and the Association have been carried out on the terms applicable to all tenants. Management committee expenses for the year amounted to £308 (2014: £382).

Councillors

Stephen Dornan and James Adams are both Councillors with Glasgow City Council. Any transactions with Glasgow City Council are made at arm's length, on normal commercial terms and Councillor Stephen Dornan and Councillor James Adams cannot use their positions to their advantage.

LINTHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2015

(Continued)

21. Group Structure

The Association is a registered housing association, registered in Scotland and forms part of a group, the other member of which is Linthouse Urban Village Café Limited, whose main activity is to provide hot and cold food and beverages.

Linthouse Housing Association Limited is considered to be the ultimate parent undertaking of the group. Separate group accounts are not required as the Financial Conduct Authority has exempted the group from this requirement.

22. Commitments Under Operating Leases

At the year end, the annual commitments under operating leases were as follows:-

	2015	2014
	£	£
Other		
Expiring within one year	3,534	1,939
Expiring between two and five years	1,406	7,494
Expiring over five years	-	-
	<u> </u>	<u> </u>