

LINTHOUSE HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

Registered Housing Association Number: XH 149
FCA Reference Number: 1800R (S)
Scottish Charity Registration Number: SC028161

LINTHOUSE HOUSING ASSOCIATION LIMITED

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**THE MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2016**

MEMBERS OF THE MANAGEMENT COMMITTEE

Alexander Leishman
Thomas McMahon
Allison Guthrie
Pamela Devoy
Andreas Elmecker
Richard Wilkins
Iain McLeish
Councillor Stephen Dornon
John Clark
Marc-Andre Schmitz
Frank Murphy
Colette Ness
Lisa Devlin
(Chairperson)
(Secretary)
(Resigned 2nd August 2016)
(Resigned 5th April 2016)
(Appointed 23rd Sep 2016)
(Appointed 23rd Sep 2016)
(Appointed 23rd Sep 2016)
(Appointed 23rd Sep 2016)
(Appointed 23rd Sep 2016)
(Appointed 23rd Sep 2016)
(Resigned 2nd Feb 2016)

EXECUTIVE OFFICERS

Irene Campbell

REGISTERED OFFICE

1 Cressy Street
Glasgow
G51 4RB

AUDITORS

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

BANKERS

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

SOLICITORS

T C Young
7 West George Street
Glasgow
G2 1BA

Hennessy Bowle & Co
2 Kennure Lane
Bishopbriggs
Glasgow, G64 2RA

Streifford Tulips
118 Cadzow Street
Hamilton,
ML3

**REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2016**

The Management Committee presents their report and the Financial Statements for the year ended 31st March 2016

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No. 1800R (S). The Association is governed under its Rule Book. The Association is a Registered Scottish Charity with the charity number SC028161.

Principal Activities

The principal activity of the Association is the provision of social housing.

Review of business and future developments

The Committee of Management are satisfied with the Association's performance during the year in all the above activities. Work has commenced on the refurbishment of the block of flats at 15 Kennedar Drive. The Association is committed to ensuring its properties are maintained to a high standard and recognises its obligations to provide major repairs to its properties. The Association are in the process of carrying out a comprehensive stock condition survey that will allow them to update the life cycle costing exercises.

In the second quarter of 2015/16 we began an organisational review and restructuring. The key focus of the review is reshaping the organisation to put customer service and value for money at the forefront of the business.

Management Committee and Executive Officers

The members of the Management Committee and the Executive Officers are listed on Page 3.

REPORT FROM THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2016 (continued)

Statement of Management Committee's responsibilities

The Co-operative and Community Benefit Act 2014 requires the Management Committee 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 year. In preparing those Financial Statements, the Management Committee is required to:-

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

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

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

In so far as the Management Committee are aware:

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

**REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

Statement on Internal Financial Control

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

- The reliability of financial information used within the Association, or for publication;
- The maintenance of proper accounting records; and
- 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 financial mis-statement or loss. Key elements of the Association's systems include ensuring that:

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

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2016. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

**REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

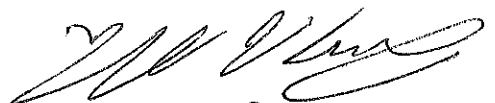
Auditors

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

Donations

During the year the Association made charitable donations amounting to £2,147.

By order of Management Committee



T McMahon, Secretary
6th September 2016

REPORT BY THE AUDITORS TO THE MANAGEMENT COMMITTEE OF LINTHOUSE HOUSING ASSOCIATION ON CORPORATE GOVERNANCE MATTERS

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

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 6 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes 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 within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



French Duncan LLP
Chartered Accountants
Statutory Auditors
133 Finnieston Street
Glasgow
G3 8HB
28 September 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINTHOUSE HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Linthouse Housing Association for the year ended 31 March 2016 which comprise an income and expenditure account, balance sheet, statement of cash flows, statement of changes in equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Association's members, as a body, in accordance with 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF MANAGEMENT COMMITTEE AND AUDITORS

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

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

SCOPE OF THE AUDIT ON THE FINANCIAL STATEMENTS

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

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the Financial Statements:

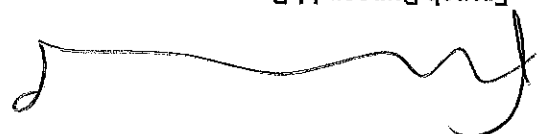
- give a true and fair view of the state of the Association's affairs as at 31 March 2016 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2014.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

We have nothing to report in respect of these matters



French Duncan LLP
Chartered Accountants
Statutory Auditors
133 Finnieston Street
Glasgow
G3 8HB
28 September 2016

LINTHOUSE HOUSING ASSOCIATION LIMITED

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	£	2016	£	Restated 2015
REVENUE	2.		4,686,152		4,540,163
Operating Costs	2.		(3,796,890)		(4,140,374)
OPERATING SURPLUS			<u>889,262</u>		<u>399,789</u>
Gain/(Loss) on Sale of Housing Stock	7.	(47,574)		(51,362)	
Interest Receivable and Other Income		13,335		14,884	
Interest Payable and Similar Charges	8.	(37,623)		(40,876)	
Other Finance Charges	11	(51,000)		(77,000)	
SURPLUS FOR THE YEAR	9.		<u>(122,862)</u>		<u>(154,354)</u>
Other Comprehensive Income		-		-	
TOTAL INCOME FOR THE YEAR			<u>766,400</u>		<u>245,435</u>

The notes on pages 15 to 30 form part of these financial statements.

LINTHOUSE HOUSING ASSOCIATION LIMITED

BALANCE SHEET AS AT 31 MARCH 2016

Notes	2016	Restated 2015
FIXED ASSETS		
Housing Properties - Depreciated Cost	25,776,520	24,873,487
Other Fixed Assets	526,561	580,886
12.(a)		
12.(b)		
CURRENT ASSETS		
Debtors	1,974,951	512,047
Investments	8,423	11,258
Cash at bank and in hand	1,680,434	2,414,931
	3,663,808	2,938,236
CREDITORS: Amounts falling due within one year	(1,127,655)	(1,115,739)
NET CURRENT ASSETS	2,536,153	1,822,497
	28,839,234	27,276,870
CREDITORS: Amounts falling due after more than one year		
Housing Property Loans	(904,978)	(1,019,989)
Retirement Benefit Scheme Deficit	(2,078,230)	(2,228,831)
16.		
16.		
DEFERRED INCOME		
Social Housing Grants	(17,408,353)	(16,346,781)
18.		
NET ASSETS	8,447,673	7,681,269
EQUITY		
Share Capital	206	202
Revenue Reserves	8,447,467	7,681,067
19.		
	8,447,673	7,681,269
	8,447,673	7,681,269

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 6th September 2016.

Chair-person
Vice Chair-person
Secretary

The notes on pages 15 to 30 form part of these financial statements.

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LINTHOUSE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016	2015
		£	£
Net Cash Inflow from Operating Activities	17.	(398,420)	805,744
Investing Activities			
Acquisition and Construction of Properties		(1,846,603)	(875,945)
Purchase of Other Fixed Assets		(1,370)	(33,835)
Social Housing Grant Received		1,628,861	568,159
Social Housing Grant Repaid		(10,819)	-
Proceeds on Disposal of Properties		26,112	-
Net Cash Outflow from Investing Activities		(203,819)	(341,621)
Financing Activities			
Interest Received on Cash and Cash Equivalents		13,335	14,884
Interest Paid on Loans		(37,623)	(40,876)
Movement in long term borrowings		(107,966)	(104,712)
Share Capital Issued		(4)	(2)
Net Cash (Outflow) from Financing		(132,258)	(130,706)
Increase in Cash		(734,497)	(333,417)
Opening Cash & Cash Equivalents		2,414,931	2,081,514
Closing Cash & Cash Equivalents		1,680,434	2,414,931

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Share Capital £	Revenue Reserve £	Total £
Balance as at 1 April 2015	202	7,681,067	7,681,269
Issue of Shares	4	-	4
Cancellation of Shares	-	-	-
Surplus for Year	-	766,400	766,400
Balance as at 31 March 2016	206	8,447,467	8,447,673
Balance as at 1 April 2014	212	7,435,632	7,435,844
Issue of Shares	2	-	2
Cancellation of Shares	(12)	-	(12)
Surplus for Year	-	245,435	245,435
Balance as at 31 March 2015	202	7,681,067	7,681,269

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for Social Housing Providers 2014. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

Information on the impact of first-time adoption of FRS 102 is given in notes 24 and 25.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see below).

The following principal accounting policies have been applied:

Revenue

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised as expenditure is incurred as this is considered to be the point when the service has been performed and the revenue recognition criteria is met.

Government Grants are released to income over the expected useful life of the asset to which it relates.

Retirement Benefits

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

The Association accounts for amounts that it has agreed to pay towards the Scheme deficit in accordance with paragraph 28.11A of FRS 102. The present value of this liability has been recognised in the Balance Sheet. The discount rate applied to this obligation is that of a yield rate for the high quality corporate bond.

Valuation Of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 12. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

Component Useful Economic Life

Kitchens	20 years
Bathrooms	30 years
Central Heating Boilers	15 years
Windows	35 years
Structure	60 years
Radiators	30 years
Lifts	30 years

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

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

Office Premises	- 1.67% Straight Line
Furniture and Fittings	- 25% Straight Line
Computer Equipment	- 25% Straight Line
Office Equipment	- 25% Straight Line

The carrying value of non-current assets is reviewed for impairment at the end of each reporting year.

Social Housing Grant and Other Grants in Advance/Arrears
Social Housing Grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which it relates. Social Housing Grant attributed to individual components is written off to the income and Expenditure Account when these components are replaced. Social Housing Grant received in respect of revenue expenditure is credited to the income and Expenditure Account in the same year as the expenditure to which it relates.

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

Sales Of Housing Properties

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

Disposals of housing property under the Right to Buy scheme are treated as a non-current asset disposals and any gain and loss on disposal accounted for in the income and Expenditure Account.

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

Estimation Uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, is disclosed below:

Rent Arrears - Bad Debt Provision

The Association assesses the recoverability of rent arrears through a detailed assessment process which considers: tenant payment history, arrangements in place, and court action.

Life Cycle of Components

The Association estimates the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL LETTINGS

	General	Needs	Supported	Shared	2016	2015
	Housing	Housing	Housing	ownership	Total	Total
	£	£	£	£	£	£
Revenue from Lettings						
Rent Receivable Net of Identifiable Service Charges	3,388,837	339,090	138,797	102,121	3,830,048	3,651,737
Service Charges Receivable	47,591			1,774	188,162	181,212
Gross Rents Receivable	3,436,428	477,887		103,895	4,018,210	3,832,949
Less: Rent losses from voids	(34,022)	(9,742)		-	(43,764)	(31,379)
Net Rents Receivable	3,402,406	468,145		103,895	3,974,446	3,801,570
Amortisation of Social Housing Grants and Other Grants	523,585	-		43,703	567,288	536,119
Revenue Grants From Local Authorities and Other Agencies	16,745	2,356		-	19,101	32,693
Total Income From Social Letting	3,942,736	470,501		147,598	4,560,835	4,370,382
Expenditure on Social Letting Activities						
Service Costs	85,637	92,060		-	177,697	187,430
Management and maintenance administration costs	990,999	218,836		20,529	1,230,364	1,478,761
Reactive Maintenance	736,798	8,600		7,927	753,325	760,520
Bad Debts - Rents and Service Charges	107,954	-		-	107,954	31,842
Planned and Cyclical Maintenance, including Major Repairs	378,508	14,200		17,819	410,527	523,550
Depreciation of Social Housing	824,997	-		47,900	872,897	846,384
Operating Costs of Social Letting	3,124,893	333,696		94,175	3,552,764	3,828,487
Operating Surplus on Social Letting Activities	817,843	136,805		53,423	1,008,071	541,895
	512,137	(23,303)		53,061	541,895	

LINTHOUSE HOUSING ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

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

	Grants From Scottish Ministers £	Other Revenue Grants £	Supporting People Income £	Other Income £	Total Turnover £	Operating Costs Bad Debts £	Operating Costs Other £	Operating Surplus / (Deficit) 2016 £	Operating Surplus / (Deficit) 2015 £
Wider Role Activities	-	-	-	12,000	12,000	-	(43,073)	(31,073)	(26,127)
Support Activities	-	-	53,303	-	53,303	-	(145,844)	(92,541)	(118,462)
Other Income/Expenditure	-	-	-	4,373	4,373	-	-	4,373	1,381
Services	-	-	-	55,641	55,641	(3,857)	(51,352)	432	1,102
Total From Other Activities	-	-	53,303	72,014	125,317	(3,857)	(240,269)	(118,809)	(142,106)
2015	-	28,746	80,951	60,084	169,781	(5,483)	(306,404)	(142,106)	

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

5. BOARD MEMBERS AND OFFICERS EMOLUMENTS

The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association.

No emoluments have been paid to any member of the Management Committee

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

2016	63,437
2015	68,234

Emoluments payable to the Director/Chief Executive (excluding pension contributions)

2016	63,437
2015	68,234

Pension contributions paid on behalf of the Director

2016	7,699
2015	8,170

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

£60,001 - £70,000	1
£70,001 - £80,000	-
£80,001 - £90,000	-

There was £353 paid to board members during the year for reimbursement of expenses (2015-£308)

6. EMPLOYEE INFORMATION

The average monthly number of full time equivalent persons employed during the year was

2016	26
2015	27

The average total number of Employees employed during the year was

2016	30
2015	30

Staff Costs were:

Wages and Salaries	861,920
Social Security Costs	70,577
Pension Costs	50,171
Other Pension Costs	169,000
	(9,000)
	973,668

2016	1,147,684
2015	973,668

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

7. GAIN ON SALE OF HOUSING STOCK

	Sales Proceeds		
	Cost of Sales		
	Gain/(Loss) on Sale of Housing Stock		
2016	£	26,111	(73,685)
2015	£	-	-

8. INTEREST PAYABLE AND SIMILAR CHARGES

	On Bank Loans & Overdrafts		
	Less: Interest Capitalised		
2016	£	37,623	40,876
2015	£	40,876	40,876

9. SURPLUS FOR THE YEAR

	Surplus is stated after charging:-		
	Depreciation - Tangible Owned Fixed Assets		
	Auditors' Remuneration		
	- Audit Services		
	- Other Services		
	Operating Lease Rentals		
	- Other		
	Gain/(Loss) on sale of fixed assets		
2016	£	928,632	5,566
2015	£	952,193	6,442

10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

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

11. OTHER FINANCE INCOME/CHARGES

	Unwinding of discount on pension liability		
2016	£	51,000	77,000
2015	£	-	-

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

12. FIXED ASSETS

a) Housing Properties

	Housing Properties Held for Letting	Under Construction	Completed Shared Ownership Properties	Total
	£	£	£	£
COST				
As at 1 April 2015	39,749,303	-	2,875,064	42,624,367
Additions	1,733,277	113,326	-	1,846,603
Disposals	(145,740)	-	-	(145,740)
As at 31 March 2016	41,336,840	113,326	2,875,064	44,325,230
DEPRECIATION				
As at 1 April 2015 (restated)	16,831,087	-	919,883	17,750,970
Charge for Year	825,019	-	47,918	872,937
Disposals	(75,197)	-	-	(75,197)
As at 31 March 2016	17,580,909	-	967,801	18,548,710
NET BOOK VALUE				
As at 31 March 2016	23,755,931	113,326	1,907,263	25,776,520
As at 31 March 2015	22,918,306	-	1,955,181	24,873,487

Additions to housing properties includes capitalised development administration costs of £Nil (2015 - £Nil).

All land and housing properties are heritable.

The Association's lenders have standard securities over Housing Property with a carrying value of £2,623,956 (2015 - £2,689,854).

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

12. FIXED ASSETS

(Continued.)

b) Other Tangible Assets	Office Premises	Furniture & Fittings	Total	£	£
As at 1 April 2015	720,178	1,184,691	1,904,869	-	-
	Additions	1,370	1,370	-	-
As at 31 March 2016	720,178	1,186,061	1,906,239	-	-
	DEPRECIATION				
As at 1 April 2015	221,591	1,102,392	1,323,983	-	-
Charge for Year	11,044	44,651	55,695	-	-
Disposals	-	-	-	-	-
As at 31 March 2016	232,635	1,147,043	1,379,678	-	-
NET BOOK VALUE					
As at 31 March 2016	487,543	39,018	526,561	-	-
As at 31 March 2015	498,587	82,299	580,886	-	-

13. COMMITMENTS UNDER OPERATING LEASES

At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-

2016	2015	£	£
Not later than one year	1,540	5,129	-
Later than one year and not later than five years	4,622	752	-
Later than five years	-	-	-

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

17. STATEMENT OF CASH FLOWS

<i>Reconciliation of operating surplus to net cash inflow from operating activities</i>	
2016	As restated 2015
£	£
Operating Surplus	399,789
Depreciation	928,632
Amortisation of Capital Grants	951,085
Change in debtors	(531,823)
Change in creditors	(1,462,904)
Gain on sale of fixed assets	(725)
Deficit contributions	-
Actuarial gains on Pension Liability	(187,000)
Share Capital Written Off	(9,215)
Net cash inflow from operating activities	(398,420)
	805,744

18. DEFERRED INCOME

<i>Social Housing Grants</i>	
2016	As restated 2015
£	£
Balance as at 1st April 2015	16,346,781
Additions in year	16,314,741
Released / Repaid as the result of property disposal	1,628,861
Amortisation in Year	(10,819)
Balance as at 31st March 2016	(556,470)
	16,346,781

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

19. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	
At 1 April 2015	
Issued in year	
Cancelled in year	
At 31 March 2016	
	206
The Association's shares carry no rights to a dividend or other distributions and are not repayable.	

20. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	
General Needs – New Build	
– Rehabilitation	
Shared Ownership	
Supported Housing	
No.	No.
2016	2015
75	89
49	975
75	89
1,204	1,188

21. RELATED PARTY TRANSACTIONS

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 102

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

- 8 Members are tenants of the Association
- 2 Members are factored owners
- Management Committee members cannot use their position to their advantage. Any transactions between the Association and any entity with which a Management Committee member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Management Committee members were as follows:

Rent Received from Tenants on the Committee	
Factoring Charges received from owners on the Committee	
	£
	22,662
	1,638

- At the year end total rent arrears owed by the tenant members of the Committee were £Nil.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

22. DETAILS OF ASSOCIATION

The Association is a Registered Society registered within the Financial Conduct Authority and is domiciled in Scotland.

The Association's principal place of business is 1 Cressy Street, Glasgow, G51 3UP.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing in Glasgow.

The Association was a Registered Society registered with the Financial Conduct Authority and is domiciled in Scotland.

23. RETIREMENT BENEFIT OBLIGATIONS

General

Linthouse Housing Association participates in the Scottish Housing Pension Scheme (the Scheme).

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

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers as the scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the year under FRS102 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2012 by a professionally qualified Actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £394m. The valuation revealed a shortfall of assets compared with the value of liabilities of £304m, (equivalent to a past service funding level of 62.2%)

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal, then the liability of the withdrawing employer is re-apportioned amongst the remaining employer. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

All employers in the scheme have entered into an agreement to make additional contributions to fund the Scheme's past service deficit. This obligation has been recognised in terms of Para 28.11A of Financial Reporting Standard 102. At the balance sheet date the present value of this obligation was £2,271,000 (2015 - £2,415,000) This was calculated by reference to the terms of the agreement and discounting the liability using the yield rate of high quality corporate bond with a similar term. The discount rate used was 2.29%

The Association made payments totalling £193,115 (2015: £187,678) to the pension scheme during the year.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

24. TRANSITION TO THE FINANCIAL REPORTING STANDARD

In accordance with the Statement of Recommended Practice the Association has adopted the Financial Reporting Standard for UK & Ireland (FRS 102) for the accounting year beginning on 1 April 2015. As a result of this the comparative figures for the year ending 31 March 2015 have been restated in accordance with FRS 102.

The transition to FRS 102 has resulted in a number of changes in accounting policies compared with those used previously.

25. PRIOR YEAR ADJUSTMENTS

The following describes the differences between the assets and liabilities and income and expenditure as presented previously, and the amounts as restated to comply with the accounting policies selected in accordance with FRS 102 for the reporting year ending 31 March 2016.

- (i) Previously capital grants received were netted off against the cost of housing properties. Social Housing Grants and Other Grants are now accounted for in accordance with FRS102 and Housing SORP 2014 which has meant that grants are no longer deducted from the cost of the capital asset, but instead are treated as deferred income which is recognised in income over the useful life of the related asset. This has also resulted in an increased annual depreciation charge on housing properties held for letting.
- (ii) As the Association has entered into an agreement to make contributions to fund a deficit in the SHAPS pension scheme this has been recognised as a liability in accordance with the FRS. The liability was not previously recognised and payments made under this agreement were written off as operating costs.
- (iii) The liability recognised as a result of (ii) above has been discounted to its present value. The unwinding of the discount is recognised as a finance cost in accordance with FRS102 para 28.13A
- (iv) In order to fully comply with requirements of the Housing SORP 2014, a review was undertaken to identify any potential holiday pay entitlement liability at the year-end. An adjustment is included in operating costs and accruals.

LINTHOUSE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

25. PRIOR YEAR ADJUSTMENTS (continued)

Reconciliation of Capital & Reserves						
		At 1 April 2014 FRS 102		At 31 March 2015 FRS 102		
Note	As previously stated	Effect of Transition	(As Restated)	As previously stated	Effect of Transition	(As Restated)
Non-Current Assets						
Current Assets	(i)	£	£	£	£	£
Creditors: amounts falling due within one year	(ii)					
Total assets less current liabilities						
Creditors: amounts falling due after more than one year						
Deferred income	(i)					
Provision for liabilities	(ii)					
Net Assets						
Capital & Reserves						

LINTHOUSE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 NOTES TO THE FINANCIAL STATEMENTS

25. PRIOR YEAR ADJUSTMENTS (continued)

	Note	As previously Stated	Reconciliation of Retained Surpluses for the Year Year Ended 31 March 2015	
		£	Effect of Transition	FRS 102 (As Restated)
Revenue	(i)	4,004,044	536,119	4,540,163
Operating Costs	(i) & (ii)	(3,656,892)	(483,482)	(4,140,374)
Interest receivable		347,152	52,637	399,789
Interest payable and similar income		14,884	-	14,884
Change in Fair Value of financial instruments		(40,876)	-	(40,876)
Gain/(Loss) on Sale		-	(77,000)	(77,000)
		(45,941)	(5,421)	(51,362)
Surplus		275,219	(29,784)	245,435