

NORTH VIEW HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

Registered Housing Association No. HAL269AL

Financial Conduct Authority No. 2427R(S)

Charity No. SC032963

Property Factors (Scotland) Act 2011 Registered Number: PF000246

**RSM UK AUDIT LLP
Chartered Accountants**

Glasgow

NORTH VIEW HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

Officers and Professional Advisers

Committee of Management

Josephine Deacon	-	Chairperson
Iris Robertson	-	Vice Chair
Wilma McCubbin	-	Secretary
Audrey Laird	-	Treasurer
Diana Hamilton	-	Member
William Hamilton	-	Member
Mary McEwan	-	Member
Christine Devine	-	Member
Emilie Devlin	-	Member
Joseph Gilson	-	Member
Kenneth Robertson	-	Member
Alex Bruce	-	Member

Principal Bankers

Bank of Scotland plc
82 Main Street
Rutherglen
Glasgow
G73 2HZ

The Royal Bank of Scotland plc
139 St Vincent Street
Glasgow
G2 5JF

Director

Euan Anderson

Registered Office

29a Stravanan Road
Castlemilk
Glasgow
G45 9LY

Auditors

RSM UK Audit LLP
Third Floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

Solicitors

Brechin Tindal Oatts
48 St Vincent Street
Glasgow
G2 5HS

YEAR ENDED 31 MARCH 2018

The Scottish Government

NORTH VIEW HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT

FOR THE YEAR ENDED 31 MARCH 2018

The Committee of Management present their report and audited financial statements for the year ended 31 March 2018.

Principal activity

North View Housing Association manages and maintains residential accommodation, whilst providing a high quality of service that is responsive to the needs of its tenants and residents. The Association provides housing for let at affordable rents.

North View Housing Association is registered with the Financial Conduct Authority as a Friendly Society, The Office of the Scottish Charities Regulator (OSCR) as a charity, The Scottish Regulator as a Registered Social Landlord and the Scottish Government as a Property Factor.

The table below shows the property we own:

Managed Property Numbers	2018	2017
Tenanted Property	668	668
Shared Ownership Properties	2	2
Total	670	670

Financial Review

In 2017/18 there was an overall surplus of £391,782 (2017: surplus of £390,297) at the year end.

North View currently has £436,722 deposited as cash funds with overdraft facilities available to us of £250,000 to account for the expected effects of Welfare Reform. We continue to have a substantial major repair investment programme with further replacement bathrooms and windows due in a substantial proportion of properties over the next few years. Cash surpluses will be made, subject to our planned major repair programme over the next few years.

Business Review

Service delivery to our tenants is our singularly most important function, and we are pleased to report that, in 2017/18, we performed well in that sector; meeting all our targets and indicators.

The year saw us initiate the redevelopment of the Windlaw Lodge site, our first mainstream new build project in over a decade. We have had to familiarise ourselves with the demands of the current funding regime and the updated Building Regulations, but we are now set up to progress the project in 2018/19.

NORTH VIEW HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT

FOR THE YEAR ENDED 31 MARCH 2018

We continued to facilitate the Jeely Piece Club, Streetwise (from Castlemilk Youth Complex), and Urban Roots' wider role work with children and young people from our area. We have strong tenant support for this work and we are pleased to have been able to sustain these valued services for our younger residents.

2017/18 saw a change of emphasis in our major repair programme. We had completed nearly all the kitchen replacements that we had to do, so bathroom and window replacements became the focus of our activities. We also upgraded 11 properties to meet the Energy Efficiency Standard for Social Housing; that was the start of our upgrade programme, which will continue over the next few years.

The year also saw us prepare for the introduction of GDPR (General Data Protection Regulation) and take steps towards getting ready for the roll out Universal Credit in December 2018. In summary, the delivery of our core and wider role services was again central to our work, but it was, on a number of fronts, successfully augmented by preparatory work for future years.

Operational Review

Welfare Rights Service

97% of residents who had used our Welfare Rights Service were satisfied with the service (Survey 2016)

There has been a constant flow of tenants making use of this important service and during this year 194 households used the service, with some using the service on more than one occasion during the year. The Welfare Rights Officer's efforts on behalf of tenants saw 164 instances of increased income depending on the nature of the benefit being dealt with on behalf of the tenant.

Staffing

97% of residents are satisfied with the customer care provided when they contact or visit the office and 98% were satisfied with the helpfulness of staff when they reported a repair (Survey 2016)

Through our Investor in People "Silver Standard" accreditation, we continue to develop and strengthen our ethos and processes towards training and development of our staff. We are committed to this ethos. We hold the view that a well trained staff will be able to do their job better, and therefore deliver a better service to tenants.

Wider Role

92% of tenants were supportive of our summer coach trips and 94% were in favour of us spending money on children's play schemes and activities for young people (Survey 2016)

2017/18 saw us continue to work with the Jeely Piece Club, Urban Roots, and Castlemilk Youth Complex to develop community based activities for the children and young people that live in our area. This has been very successful, and the Tenants Survey showed that the vast majority of our tenants – over 90% – supported us investing a small proportion of the rental income we receive in such activities.

NORTH VIEW HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT

FOR THE YEAR ENDED 31 MARCH 2018

Housing Management

North View has a good performance record on the time taken to re-let our properties, however we are never complacent and staff work diligently to ensure that we maximise our rental income, reduce costs and house people in need.

Rent loss due to void properties was £7,774 (2017 - £10,049). Our internal target of "Void loss of not more than 0.5% of rental income" was met as the void loss was 0.27%. The average time taken to re-let a property was 13.1 days (2017 – 18.8 days). Our target of 18 days was met. This was a difference of 5.7days due to the fact the number of deaths this year was not as high as has been the case in previous years.

Current tenant arrears at the year-end represent 2.87% of the total rental income for the year (2017 – 2.65%). Our target of 3.5% was met. Discretionary Housing Payment awards helped to mitigate the effect of the under-occupancy charge.

Property Maintenance

88% of residents are satisfied with the Repairs service provided by us. The Repair service and Modernising tenant's homes came top in terms of what service was most important to residents in the 2016 Residents' Survey.

The Association continues to meet all of the targets set for completion of works orders within timescale.

- *Total no of Emergency works orders completed in 2017/18 – 329*
- *Average length of time (in hours) to complete emergency repairs was 2.27 hours against a target of 3 hours*
- *99.7% of Emergency repairs were made good within 24 hours against a Target of 96%.*
- *Total no of Non Emergency works orders completed in 2017/18 – 2,988*
- *Average length of time (in working days) to complete Non Emergency repairs was 3.03 working days against a target of 4 working days*
- *96.48% of our repairs were completed "right first time" against a target of 80%*

It was again a particularly busy year for our "In House" trades-team in replacing windows in 50 properties. External contract replacements of 50 bathrooms and upgrades of electric heating systems to 11 properties also took place.

Treasury Management

The Association has an active treasury management function, which operates in accordance with the Treasury Policy approved by the Committee of Management. In this way 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 2018 North View is funding £6.339m (2017 - £6.724m) of development expenditure.

North View, as a matter of policy, does not enter into transactions of a speculative nature. Our loan portfolio gives the Association three fixed rate loans and one variable rate loan at very favourable rates.

NORTH VIEW HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT

FOR THE YEAR ENDED 31 MARCH 2018

Maintenance Policies

The Association seeks to maintain its properties to the highest standard. To this end, programmes of cyclical repairs are carried out in the medium term to deal with the gradual and predictable deterioration of building components. It is expected that the cost of all these repairs would be charged to the Income and Expenditure account.

In addition, the Association has a long-term programme of major repairs to cover for works which have become necessary since the original development was completed, including works required by subsequent legislative changes. This includes replacement or repairs to features of the properties, which have come to the end of their economic lives. In line with the SORP 2014, 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.

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 thirty days (2017: thirty days).

Future Developments

The Association intends to continue with its policy of improving the quality of housing within its area of operation.

Budgetary Process

Each year the Committee of Management approve the annual budget and rolling 5 year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Finance Sub Committee of variances from the budget, updated forecasts for the year together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure and treasury management.

Quality and Integrity of Personnel

The integrity and competence of personnel are ensured through high recruitment standards and subsequent training courses. High quality personnel are seen as an essential part of the control environment and the ethical standards expected are communicated through the Director.

General Reserves Policy

The Committee members have reviewed the reserves of North View. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. North View will be applying measures to rebuild the reserve to a position to cover 1 year's total general expenditure.

NORTH VIEW HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT

FOR THE YEAR ENDED 31 MARCH 2018

Sales of housing properties

Properties are disposed of under the appropriate legislation and guidance. All costs, first tranche sales, 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.

Employee Involvement and Health and Safety

North View 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.

Disabled Employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the Association may continue.

It is the policy of the Association that training, career development and promotion opportunities should be available to all employees.

Committee and Officers' Insurance

North View has purchased and maintains insurance to cover its Committee and officers against liabilities in relation to their duties on behalf of North View, as authorised by the Association's rules.

Home Ownership

In 2003, Communities Scotland with funding from the Scottish Executive, launched a Mortgage to Rent scheme, aimed at helping those under threat of repossession as a result of mortgage arrears. The Association is committed to the scheme, which allows the owner to become a tenant, avoiding the upheaval of removing families from their existing support networks, and the costs of housing homeless families. The Association has not processed any mortgage to rent purchases as yet.

One property was however sold under the Right to Buy scheme in the year 2017/18 and 1 property was bought back from the owner.

Going Concern

The Committee of Management has reviewed the results for this year and has also reviewed the projections for the next five years. At the year end the Association was in a net current liability position. However, this is not an issue because it is a temporary position which should resolve itself within the next twelve months. The Committee of Management therefore has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in these financial statements.

NORTH VIEW HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT

FOR THE YEAR ENDED 31 MARCH 2018

Committee of Management

The Members of the Committee of the Association during the year to 31 March 2018 and up to the date of these financial statements were as follows:

Josephine Deacon	Chairperson	William Hamilton	Member
Iris Robertson	Acting Vice Chairperson	Diana Hamilton	Member
Wilma McCubbin	Secretary	Mary McEwan	Member
Audrey Laird	Treasurer	Christine Devine	Member
Emilie Devlin	Member	Joseph Gilson	Member
Kenneth Robertson	Member	Alex Bruce	Member

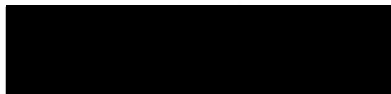
Each member of the Committee of Management holds one fully paid share of £1 in North View. The Director of North View holds no interest in North View's share capital and although not having the legal status of "director" acts as executive within the authority delegated by the Committee.

Director - Euan Anderson

Auditors

RSM UK Audit LLP has indicated its willingness to continue in office as auditors to the Association.

On behalf of the Committee of Management



Secretary

29a Stravanan Road
Castlemilk
Glasgow
G45 9LY

Date: 

NORTH VIEW HOUSING ASSOCIATION LIMITED

STATEMENT OF COMMITTEE RESPONSIBILITIES

YEAR ENDED 31 MARCH 2018


The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Management Committee to ensure that financial statements are prepared for each financial year, which give a true and fair view of the Association's state of affairs and of the surplus or deficit of the Association for that period. In preparing those financial statements, the Management Committee is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is not appropriate to presume that the Association will continue in business.

The Committee of Management is responsible for the keeping of proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Association. The Committee of Management must ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Registered Housing Associations Determination of Accounting Requirements 2014. It is 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 has general responsibility for taking reasonable steps to safeguard the assets of the RSL and to prevent and detect fraud and other irregularities.

By order of the Committee of Management

Date: 



NORTH VIEW HOUSING ASSOCIATION LIMITED

COMMITTEE OF MANAGEMENT'S STATEMENT ON INTERNAL FINANCIAL CONTROL

YEAR ENDED 31 MARCH 2018

The Committee of Management 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; and
- the safeguarding of assets (against unauthorised use or disposition).

It is the Committee of Management's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. Key elements 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. Annual appraisal procedures have been established to maintain standards of performance.
- forecasts and budgets are prepared regularly which allow the Committee of Management and staff to monitor the key business risks and financial objectives, and progress towards 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 variances from budgets are investigated as appropriate.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising Committee of Management members and others.
- the Committee of Management review reports from management, from directors, staff and from internal and the external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association.
- there is a continuing programme of internal audit work, undertaken by a firm of Chartered Accountants, however this year the audit comprised only of our Gas service. Internal financial control will be the subject of future year's work.
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

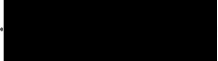
NORTH VIEW HOUSING ASSOCIATION LIMITED
COMMITTEE OF MANAGEMENT'S STATEMENT ON INTERNAL FINANCIAL
CONTROL

YEAR ENDED 31 MARCH 2018
(CONTINUED)

The Committee of Management have reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2018 and until the below date. 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

..... 

Date: 

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF NORTH VIEW HOUSING ASSOCIATION LIMITED ON INTERNAL FINANCIAL CONTROLS

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 8 and 9 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 through enquiry of certain members of the Management Committee and Officers of the Association and examination of relevant documents. 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 8 and 9 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.



RSM UK AUDIT LLP
Statutory Auditor
Chartered Accountants
Third Floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

Date:



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH VIEW HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of North View Housing Association Limited (the 'Association') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statements of Cashflows and the notes to the financial statements, including a summary of significant accounting policies. 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" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – December 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Committee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH VIEW HOUSING ASSOCIATION LIMITED (continued)

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.

Responsibilities of the Committee

As explained more fully in the Statement of Committee Responsibilities set out on page 7, the Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Association's members as a body, in accordance with Part 7 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.


RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Centenary House
69 Wellington Street
Glasgow, G2 6HG

Date 

NORTH VIEW HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Turnover	2	3,225,707	3,147,998
Operating costs	2	<u>(2,594,866)</u>	<u>(2,606,969)</u>
		630,841	541,029
Remeasurement of Pension deficit	15	-	201,000
Operating surplus		<u>630,841</u>	<u>742,029</u>
Gain on sale of fixed assets		14,086	46,491
Interest receivable		1,364	3,635
Interest payable and financing costs	4	<u>(254,509)</u>	<u>(401,858)</u>
Surplus/(Deficit) for the year before taxation		391,782	390,297
Taxation	5	-	-
Total Comprehensive Income for the Year	16	<u>391,782</u>	<u>390,297</u>

The results for the year are generated from the continuing activities of the Association.

NORTH VIEW HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Notes	2018 £	2017 £
Fixed Assets			
Housing properties	8	16,768,947	16,908,459
Other fixed assets	9	<u>573,672</u>	<u>533,212</u>
		<u>17,342,619</u>	<u>17,441,671</u>
Current Assets			
Trade and other Debtors	10	135,407	136,729
Cash at bank and in hand		<u>436,722</u>	<u>540,090</u>
		<u>572,129</u>	<u>676,819</u>
Current Liabilities			
Creditors: Amounts falling due within one year	11	<u>(695,043)</u>	<u>(611,653)</u>
Net (Liabilities) / Current Assets		<u>(122,914)</u>	<u>65,166</u>
Total Assets less Current Liabilities		17,219,705	17,506,837
Creditors: Amounts falling due after more than one year	12	(14,688,890)	(15,314,681)
Provisions for liabilities:			
Pension provision	15	(210,000)	(261,000)
Other provisions	15	<u>(12,731)</u>	<u>(14,850)</u>
		<u>2,308,084</u>	<u>1,916,306</u>
Capital and Reserves			
Share capital	16	32	38
Revenue reserve	16	<u>2,308,052</u>	<u>1,916,268</u>
		<u>2,308,084</u>	<u>1,916,306</u>

These financial statements on pages 12 to 35 were authorised and approved for issue by the Committee of Management on 12/12/2018 and signed on their behalf by:

Committee Member:

Committee Member:

Secretary:

NORTH VIEW HOUSING ASSOCIATION LIMITED

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Net cash provided by operating activities	17	<u>972,390</u>	<u>790,507</u>
Cash flow from investing activities			
Purchase of tangible fixed assets	(515,743)		(343,466)
Interest received	1,364		3,635
HAG received	<u>43,651</u>		<u>51,414</u>
Net cash used in investing activities		(470,728)	<u>(288,417)</u>
Cash flow from financing activities			
Interest paid	(254,509)		(401,858)
Repayments of borrowings	(350,515)		(207,828)
Shares issued and cancelled	<u>(6)</u>		<u>3</u>
Net cash used in financing activities		<u>(605,030)</u>	<u>(609,683)</u>
Net change in cash and cash equivalents		(103,368)	(107,593)
Cash and cash equivalents at the beginning of the year	540,090		<u>647,683</u>
Cash and cash equivalents at the end of the year		<u>436,722</u>	<u>540,090</u>
Analysis of cash and cash equivalents			
Cash in hand		436,722	540,090
Notice deposits (less than 3 months)		<u>-</u>	<u>-</u>
Total cash and cash equivalents		<u>436,722</u>	<u>540,090</u>

NORTH VIEW HOUSING ASSOCIATION LIMITED

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2018

(Continued)

Analysis of Changes in Net Debt

Reconciliation of net cash flow to movement in net debt

	2018 £	2017 £
(Decrease)/increase in cash for the year	(103,368)	(107,593)
Loan repayments	<u>350,515</u>	<u>207,828</u>
Changes in net debt	247,147	100,235
Net debt as at 1 April 2017	<u>(6,390,048)</u>	<u>(6,490,282)</u>
Net debt as at 31 March 2018	<u>(6,142,901)</u>	<u>(6,390,048)</u>

	As at 31 March 2017	Cashflows	As at 31 March 2018
Cash in hand and at bank	540,090	(103,368)	436,722
Debt due within one year	(205,647)	(34,557)	(240,204)
Debt due after one year	<u>(6,724,491)</u>	<u>385,072</u>	<u>(6,339,419)</u>
	<u>(6,390,048)</u>	<u>247,147</u>	<u>(6,142,901)</u>

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

1. Accounting Policies

Legal Status

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010.

The address of the Company's registered office and principal place of business is 29a Stravanan Road, Castlemilk, Glasgow G45 9LY.

The Association's principal activities are detailed in the Committee of Management's Report. The nature of the Associations operations is detailed in the Committee of Management's Report.

North View Housing Association Ltd is a Public Benefit Entity.

1.1 Basis of Accounting

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2014 "Statement of Recommended Practice for Registered Housing Providers" and comply with the Determination of Accounting Requirements 2014, and under the historical cost convention, modified to include certain financial instruments at fair value.

The financial statements are prepared in Sterling (£).

1.2 Critical Accounting Estimates and Areas of Judgement

Preparation of the financial statements requires management to make critical judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included below.

Critical accounting estimates:

Useful lives of housing property - management reviews its estimate of the useful lives of depreciable assets at each reporting date based on industry averages and our review of our stock. Uncertainties in these estimates relate to the length of time certain components in our homes will last, with varying levels of use potentially lengthening or shortening the lives of these components.

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

(Continued)

1.2 Critical Accounting Estimates and Areas of Judgement (*continued*)

Recoverable amount of rent arrears and debtors – management considers the reasonable likelihood of rent arrears and debtors being recoverable based on past experience. While every effort is made not to over-estimate the amounts which will be recovered by the Association in the future, the actual amounts which might be received are often outwith the Associations' control.

Past Service Deficit for Defined Benefit Scheme – the current provision is based on an estimate by SHAPS of the likely future payments needed to reduce the Association's share of the deficit to nil over a number of years. These future payments have then been discounted based on an estimated discount value to create a Net Present Value which is the liability reflected in the accounts. Both the payments needed and the discount percentage are estimates and assumed based on unknown future events. The final liability and the payments to clear this to £nil are therefore subject to change.

1.3 Going Concern

The Committee of Management has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.4 Turnover and Revenue Recognition

Turnover relates to the income from the letting of properties at affordable rents, together with revenue grants receivable in the period. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

1.5 Government Grants

Government grants include grants receivable from the Scottish Government, local authorities and other government bodies. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Reasonable assurance is normally obtained when (e.g. the grant has been awarded in writing).

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) under the accruals model.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, then any unamortised grant remaining is derecognised as a liability and

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

(Continued)

1.5 Government Grants (*continued*)

recognised as income. Where there is a requirement to repay a grant a liability is included in the Statement of Financial Position to recognise this obligation.

1.6 Other Grants

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

1.7 Fixed assets - Housing properties

Housing properties are properties for the provision of social housing or to otherwise provide social benefit and are principally properties available for rent.

Completed housing properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes the cost of acquiring land and buildings, and expenditure incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in either:

- An increase in rental income;
- A material reduction in future maintenance costs; or
- A significant extension to the life of the property.

Works to existing properties which fail to meet the above criteria are charged to the Income and Expenditure account.

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, except for first tranche sales. Any grants received that cannot be repaid from the proceeds of sale are abated and the grant removed from the financial statements.

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

(Continued)

1.8 Depreciation of Housing Properties

i) Housing Land and Buildings

The Association separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight line basis over the following years:

Land	Not depreciated
Structure	Over 60 years
Kitchen	Over 15 years
Window	Over 25 years
Heating	Over 30 years
Boiler	Over 15 years
Bathroom	Over 25 years
Doors	Over 25 years

1.9 Impairment of Fixed Assets

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the RSL estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the statement of comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

(Continued)

ii) Other Fixed Assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Furniture, fittings and computer equipment	–	20% straight line
Motor Vehicles	–	35% straight line
Office Property	–	2% straight line

1.10 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition and construction of qualifying properties are added to the cost of those properties until such a time as the properties are ready for their intended use or sale.

All other borrowing costs are expensed as incurred.

1.11 Tax

The Association has charitable status and is registered with the Office of Scottish Charities Regulator and is therefore exempt from paying Corporation Tax on charitable activities.

1.12 Deposits and Liquid Resources

Cash comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying value.

1.13 Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Employees can carry forward any unused holiday or TOIL entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the RSL is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

(Continued)

1.14 Pensions

Defined Benefit Plan

The Association participates in the Scottish Housing Association Pension Scheme (SHAPS) which is a funded multi-employer scheme. Contributions are recognised in income and expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting. A liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the RSL will fund a deficit. Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end. The rate used to discount the contributions to their present value is based on market yields for high quality corporate bonds.

1.15 Financial Instruments

The Association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument and are offset only when the Association currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade or other debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

(Continued)

1.15 Financial Instruments *(continued)*

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income and expenditure for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income and expenditure.

Financial liabilities

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Commitments to receive a loan are measured at cost less impairment.

1.16 Provisions

Provisions are recognised when the RSL has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

(Continued)

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

	Notes	Turnover £	Operating Costs £	2018 Operating Surplus £	2017 Operating Surplus £
Affordable Letting Activities	3a	3,207,038	(2,568,368)	638,670	544,203
Other Activities	3b	18,669	(26,498)	(7,829)	(3,174)
		<hr/>	<hr/>	<hr/>	<hr/>
		3,225,707	(2,594,866)	630,841	541,029
Remeasurement of Pension Deficit	15	-	-	-	201,000
		<hr/>	<hr/>	<hr/>	<hr/>
Total		<hr/>	<hr/>	<hr/>	<hr/>
		3,225,707	(2,594,866)	630,841	742,029
Total for previous reporting period		<hr/>	<hr/>	<hr/>	
		3,147,998	(2,405,969)	742,029	

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018
(Continued)

3a. Particulars of turnover, operating costs and operating surplus from affordable letting activities

	General Needs Housing £	Supported Housing Accommodation £	Shared Ownership Housing £	Total 2018 £	Total 2017 £
Rent receivable net of service charges	2,841,655	51,392	3,405	2,896,452	2,805,578
Service charges	7,106	22,180	-	29,286	29,286
Gross income from rents and service charges	2,848,761	73,572	3,405	2,925,738	2,834,864
Less voids	(7,774)	-	-	(7,774)	(10,049)
Net Income from rents and service charges	2,840,987	73,572	3,405	2,917,964	2,824,815
Grants released from deferred income	289,074	-	-	289,074	295,338
Total turnover from social letting activities	3,130,061	73,572	3,405	3,207,038	3,120,153
Management and maintenance administration costs	1,186,745	14,276	1,680	1,202,701	1,199,676
Service costs	58,266	7,235	-	65,501	52,991
Planned and cyclical maintenance including major repairs costs	370,534	4,458	-	374,992	456,179
Reactive maintenance costs	311,010	3,742	-	314,752	286,396
Bad debts – rents and service charges	26,629	320	-	26,949	9,915
Depreciation of affordable let properties	574,829	6,915	1,729	583,473	570,793
Operating costs for affordable letting activities	2,528,013	36,946	3,409	2,568,368	2,575,950
Operating surplus from affordable lettings at 31 March 2018	602,048	36,626	(4)	638,670	544,203
Operating surplus from affordable letting at 31 March 2017	507,477	36,613	113	544,203	

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 MARCH 2018

(Continued)

3b – Particulars of turnover, operating costs and operating surplus or deficit from other activities

	<i>Grants from Scottish Ministers</i>	<i>Other revenue grants</i>	<i>Supporting people income</i>	<i>Other income</i>	<i>Total Turnover</i>	<i>Operating costs – bad debts</i>	<i>Other operating costs</i>	<i>Operating surplus (deficit)</i>	<i>or</i>	<i>Operating surplus or deficit for previous reporting period</i>
	£	£	£	£	£	£	£	£		£
Wider action/wider role	-	2,231	-	-	2,231	-	(461)	1,770		4,960
Care and repair	-	-	-	-	-	-	-	-		-
Investment property activities	-	-	-	-	-	-	-	-		-
Factoring	-	-	-	12,040	12,040	-	(12,687)	(647)		(5,098)
Support activities	-	-	-	-	-	-	-	-		-
Care activities	-	-	-	-	-	-	-	-		-
Contracted out activities undertake for RSLs	-	-	-	-	-	-	-	-		-
Contracted out services undertaken for other organisations	-	-	-	-	-	-	-	-		-
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-		-
Developments and improvements for sale to other organisations	-	-	-	-	-	-	-	-		-
Uncapitalised development administration costs	-	-	-	-	-	-	(8,952)	(8,952)		(3,436)
Other activities - energy efficiency	-	-	-	-	-	-	-	-		-
- Miscellaneous	-	-	-	-	-	-	-	-		-
- home owners management fee	-	-	-	4,398	4,398	-	(4,398)	-		400
Total from other activities	-	2,231	-	16,438	18,669	-	(26,498)	(7,829)		(3,174)
2017	-	16,578	-	11,267	27,845	-	(31,019)	(3,174)		

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

(Continued)

4. Interest payable and similar charges

	2018 £	2017 £
Interest arising on:		
Bank loans	252,509	390,858
Defined benefit pension charge	2,000	11,000
	<u>254,509</u>	<u>401,858</u>

5. Taxation

The Association was awarded charitable status by the Inland Revenue on 26 March 2002, and so is not liable to Corporation Tax on its exempt activities.

6. Operating surplus or deficit

	2018 £	2017 £
Operating surplus is stated after charging/(crediting):		
Depreciation of housing properties	583,473	570,793
Depreciation of other tangible fixed assets:		
- owned	45,407	31,363
Surplus on disposal of tangible fixed assets	<u>14,086</u>	<u>46,491</u>
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
Audit services – statutory audit	10,200	9,900
Other services:		
Support and training on Insight	<u>12,000</u>	<u>1,308</u>
	<u>22,200</u>	<u>11,208</u>

7. Employees

	2018 £	2017 £
Staff costs (including key management personnel) during the year:		
Wages and salaries	630,291	603,589
Social security costs	63,129	60,543
Other pension costs	<u>158,200</u>	<u>154,186</u>
	<u>851,620</u>	<u>818,318</u>

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

(Continued)

7. Employees (continued)

The average monthly number of full time equivalent persons (including key management personnel) employed by the Association during the year were as follows:

	No	No
Administration and maintenance	<u>21</u>	<u>20</u>

The key management personnel are defined as the members of the Management Committee, the Director and any other person reporting directly to the Directors or the Management Committee.

There number of key management personnel who received emoluments (excluding employer pension contributions) in excess of £60,000 during the reporting period fell within the following bands:

	No	No
£60,001 to £70,000	<u>1</u>	<u>1</u>
Aggregate Emoluments payable to the above key management personnel (including pension contributions and benefits in kind)	<u>70,989</u>	<u>69,722</u>
Emoluments payable to the Director (excluding pension contributions)	<u>63,225</u>	<u>62,280</u>
Aggregate Pension contributions in relation to the above key management personnel	<u>7,764</u>	<u>7,442</u>

No member of the Committee of Management received any emoluments in respect of their services to the Association.

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

(Continued)

8. Tangible Fixed Assets – Housing Land and Buildings

	Social Housing Properties Held for Letting £	Housing Properties for letting under Construction £	Total £
Cost			
At 1 April 2017	25,151,073	-	25,151,073
Additions – Property acquired	45,000	-	45,000
Additions	428,875	-	428,875
Disposals	(47,966)	-	(47,966)
At 31 March 2018	25,576,982	-	25,576,982
Depreciation and Impairment			
At 1 April 2017	8,242,613	-	8,242,613
Charge for the year	583,473	-	583,473
Disposals	(18,052)	-	(18,052)
At 31 March 2018	8,808,034	-	8,808,034
Net book value at 31 March 2018	16,768,948		16,768,948
Net book value at 31 March 2017	16,908,460	-	16,908,460

The Association considers individual schemes to be separate cash generating units when assessing for impairment. No land or buildings are held under a lease. The aggregate amount of finance costs included in the cost of housing properties is £NIL (2017: £NIL). Land value is £NIL (2017:£NIL)

Expenditure on Works to Existing Properties

	2018	2017
Improvement work capitalised	48,027	-
Replacement component spend capitalised	380,848	373,155
Amounts charged to income and expenditure	-	6,682
Total major repairs spend	428,875	379,837

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

(Continued)

9. Other Tangible Fixed Assets

	Motor Vehicles £	Furniture & Fittings £	Office Property	Computer Equipment £	Total £
Cost					
At 1 April 2017	72,106	98,022	648,843	252,410	1,071,381
Additions	14,996	11,975	4,993	53,904	85,868
Disposals	-	-	-	-	-
At 31 March 2018	87,102	109,997	653,836	306,314	1,157,249
Depreciation					
At 1 April 2017	59,978	89,242	146,538	242,411	538,169
Charge for year	11,860	5,049	13,077	15,422	45,408
Disposals	-	-	-	-	-
At 31 March 2018	71,838	94,291	159,615	257,833	583,577
Net book value at 31 March 2018	15,264	15,706	494,221	48,481	573,672
Net book value at 31 March 2017	12,128	8,780	502,305	9,999	533,212

10. Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Rent and service charges receivable	140,374	129,321
Less bad debt provision	(72,399)	(65,216)
	67,975	64,105
Prepayments	67,432	72,624
	135,407	136,729

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

(Continued)

11. Creditors: Amounts Falling Due Within One Year

	2018	2017
	£	£
Debt (Note 14)	240,204	205,647
Contractors' certified work	57,601	33,734
Rents in advance	81,314	65,497
Accruals and deferred income	315,924	307,360
Other creditors	-	(585)
	<u>695,043</u>	<u>611,653</u>

12. Creditors: Amounts Falling Due After More than One Year

	2018	2017
	£	£
Debt (Note 14)	6,339,420	6,724,491
Deferred Capital Grants (Note 13)	8,349,471	8,590,190
	<u>14,688,890</u>	<u>15,314,681</u>

13. Deferred capital grant

	2018	2017
	£	£
As at 1 April	8,879,264	9,123,187
Grant received in year	43,651	51,415
Capital grant released	<u>(289,074)</u>	<u>(295,338)</u>
At 31 March	<u>8,633,841</u>	<u>8,879,264</u>
Amounts to be released within one year	284,370	289,074
Amounts to be released in more than one year	<u>8,349,471</u>	<u>8,590,190</u>
	<u>8,633,841</u>	<u>8,879,264</u>

14. Debt analysis - Borrowings

	2018	2017
	£	£
Creditors: amounts falling due within one year		
Bank loans	<u>240,204</u>	<u>205,647</u>
Creditors: amounts falling due after more than one year		
Bank loans	<u>6,339,420</u>	<u>6,724,491</u>

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

(Continued)

14. Debt analysis – Borrowings (continued)

Borrowings are denominated and repaid in pounds sterling, have contractual interest rates that are fixed rates and one variable rate that are not leveraged, and do not contain conditional returns or repayment provisions other than to protect the lender against credit deterioration or changes in relevant legislation or taxation.

Bank loans are secured by specific charges on the Association's properties. All loans relate to housing properties. Loans are repayable at rates of interest of 0.769258% to 5.75% (2017 – 5.51% to 5.75%). The Association makes quarterly repayments of the bank borrowing.

Based on the lender's earliest repayment dates, borrowings are repayable as follows:

	2018 £	2017 £
Due within one year	240,204	205,647
Due in one year or more but less than two years	238,695	215,980
Due between two and five years	831,179	973,031
Due more than five years	5,269,545	5,535,480
	<u>6,579,624</u>	<u>6,930,138</u>

15. Provisions

	Holiday Pay £	SHAPS Pension £	Total £
At 1 April 2017	14,850	261,000	275,850
Utilised in the year	(14,850)	(51,000)	(65,850)
Additional provision in year	12,731	(2,000)	10,731
Unwinding of discount	-	2,000	2,000
	<u>12,731</u>	<u>210,000</u>	<u>222,731</u>

Holiday Pay

This represents holiday accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the statutory cost payable for the period of absence.

Pension

The SHAPS provision represents the net present value of the commitment to the multi-employer pension scheme in respect of past deficits.

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

(Continued)

16. Share Capital & Reserves

	2018	2017
<i>Share Capital</i>	£	£
Shares of £1 fully paid and issued at 1 April 2017	38	35
Shares issued during year	2	3
Shares cancelled during the year	8	-
	<hr/>	<hr/>
Shares issued at 31 March 2018	32	38

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.

	Revenue Reserves 2018 £	Revenue Reserves 2017 £
<i>Reserves</i>		
At 1 April	1,916,270	1,525,973
Surplus for year	391,782	390,297
	<hr/>	<hr/>
At 31 March	2,308,052	1,916,270

17. Cash flow from operating activities

	2018	2017
Surplus for year	391,782	390,297
Adjustments for non-cash items:		
Depreciation	628,880	602,156
Amortisation	(289,074)	(295,338)
Gain on sale of fixed assets	(14,086)	(46,491)
Decrease in debtors	1,322	(16,561)
Cancellation of shares	8	3
Increase in creditors	53,537	(13,200)
Decrease in provisions	(53,124)	(228,582)
Adjustments for investing or financing activities:		
Interest received	(1,364)	(3,635)
Interest paid	254,509	401,858
	<hr/>	<hr/>
	972,390	790,507

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

(Continued)

18. Capital Commitments

	2018 £	2017 £
Expenditure contracted for but not provided in the financial statements	-	-
Expenditure authorised by the Committee but not contracted	-	-
	<hr/>	<hr/>

19. Pension Fund

North View Housing Association Limited participates in the SHAPS UK defined benefit scheme, a multi-employer scheme which provides benefits to some 150 non-associated employers. The scheme is a defined benefit scheme in the UK.

It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2015. This actuarial valuation showed assets of £616m, liabilities of £814m and a deficit of £198m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions payable:	
From 1 April 2017 to 28 February 2022: monthly and increasing by 3% each 1st April)	£25,735,092 per annum (payable
From 1st April 2017 to 30 June 2025: monthly and increasing by 3% each 1st April)	£727,217 per annum (payable
From 1st April 2017 to 31 October 2026 monthly and increasing by 3% each 1st April)	£1,239,033 per annum (payable
Rate of discount assumed based on a full AA corporate bond yield 1.06% (2016 – 2.29%)	

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

(Continued)

19. Pension Fund (continued)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the Association has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present Values of Provision

	31 March 2018 (£000s)	31 March 2017 (£000s)	31 March 2016 (£000s)
Present value of provision	210	261	484

Reconciliation of Opening and Closing Provisions

	Period ending 31 March 2018 (£'000s)	Period ending 31 March 2017 (£'000s)
Provision at start of period	261	484
Unwinding of the discount factor (interest expense)	2	11
Deficit contribution paid	(51)	(41)
Remeasurements – impact of any change in assumptions	(2)	8
Remeasurements – amendments to the contribution schedule	-	(201)
Provision at end of period	210	261

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2018

(Continued)

19. Pension Fund (continued)

North View Housing Association Limited has elected to operate the Final Salary Benefit option for active members as at 1 April 2011 and the option of Final Salary or Defined Contribution for any new entrants.

Contributions are made through Salary Sacrifice. Defined Contributions are at the rate selected by the member with the Association matching and adding a further 2% to the member contribution rate.

As at the balance sheet date there were sixteen active members of the Scheme employed by North View Housing Association Limited. The annual pensionable payroll in respect of these members was £473,989.

North View Housing Association Limited continues to offer membership of the Scheme to its employees.

20. Contingent Liabilities

At 31 March 2018 the Association had no contingent liabilities (2017 - £Nil).

21. Housing Stock

The number of units in Management at 31 March 2018 was as follows:-

	2018	2017
	No	No
General needs	665	665
Supported	8	8
Shared ownership	2	2
	<u>675</u>	<u>675</u>

22. Related Parties

Nine of the twelve Committee of Management members are also tenants of the Association. Their tenancies are on normal commercial terms. During the year £39,960.84 (2017; £38,516.76) of rent was receivable from these tenant members. At the year-end there were £nil (2016: £nil) of rent arrears due from these tenant members.

Amounts outstanding are unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the year (2017: £nil) in respect of bad debts from related parties.