

Paisley Housing Association Limited

(Formerly Paisley South Housing Association Limited)

Report and Financial Statements

For the year ended 31st March 2016

Registered Housing Association No.HCB166

FCA Reference No. 2171R(S)

Scottish Charity No. SCO035589

PAISLEY HOUSING ASSOCIATION LIMITED

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PAISLEY HOUSING ASSOCIATION LIMITED

COMMITTEE OF MANAGEMENT, EXECUTIVES AND ADVISERS
YEAR ENDED 31st MARCH 2016

COMMITTEE OF MANAGEMENT

John Sweeney	Chairperson
James Weir	Vice Chairperson
Eileen Graham	Secretary
Sandra Loney	
Karen McMillan	
Mairi MacLean	
Barbara Brander	Resigned 26.10.2015
David Baldwin	Resigned 25.07.2016
Margaret-Anne Cunningham	Resigned 31.08.2015
Ian Johnstone	
Emma McShane	Appointed 29.06.2015
Ramy Aly	Appointed 27.04.15, Resigned 30.11.2015
Linda Byars	Appointed 26.05.2015, Resigned 26.10.2015
Iain Dewar	Appointed 25.01.2016

EXECUTIVE OFFICERS

Kathleen McCutcheon	Director
Elaine Thomson	Technical Manager
Lorna Colville	Finance Manager
Lorna Gilroy	Housing Manager

REGISTERED OFFICE

64 Espedair Street
Paisley
PA2 6RW

AUDITORS

Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow
G2 7HF

INTERNAL AUDITORS

Arneil Johnston
50 Scott Street
Motherwell
ML1 1PN

BANKERS

Bank of Scotland Commercial Banking
Level 6
110 St Vincent Street
Glasgow
G2 5ER

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

PAISLEY SOUTH HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2016

The Committee of Management presents its 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.2171R(S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SCO035589.

The Association changed its name during the year from Paisley South Housing Association Limited to Paisley Housing Association Limited.

Principal Activities

The principal activities of the Association is the provision of housing for let at rents affordable to the client groups for whom it intends to provide.

The Association also has a wholly owned subsidiary, Paisley South Property Service Limited, whose principal activity is providing a factoring service.

Review of Business and Future Developments

The Association's overall aim is to help sustain the regeneration of Paisley through the provision of quality housing and services, which will meet the diverse needs and aspirations of our customers.

Paisley South Housing Association Limited has submitted proposals to the Government for one tenant improvement scheme which we hope to develop with Renfrewshire Council support. We also have a land strategy which we are liaising with the Council on.

We would also like to contribute further to Wider Action and Economic Regeneration within the locality.

The Past

The Association has 1204 properties for rent and have 2 shared ownership and 287 owner occupiers. The Association has continued to manage and maintain these houses to a high standard, reinforcing their commitment to good quality houses at affordable rents.

Current year

Paisley South Housing Association Limited have continued to invest in its housing stock and to maintain the standard of properties that it offers to residents through our planned and cyclical maintenance programmes.

Paisley South Housing Association Limited have continued to work towards improving performances in repairs responses, arrears levels, void loss, customer service and wider role involvement over the past year.

PAISLEY HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Review of Business and Future Developments (Contd.)

The Future

Paisley Housing Association Limited will focus on maintaining the increased level of performance that it has achieved over recent years.

Paisley Housing Association Limited's overall focus will also be on working towards the objectives and targets agreed within the Business Plan (May 2016) and ensuring that it achieves value for money and improvement in all its areas of operation.

Major challenges that Paisley Housing Association Limited will address over the coming year are:

- Asset Management
- Delivering Value for Money
- Tenant participation
- Delivering a Common Housing Strategy
- Welfare reform
- Procurement
- Estate caretaker service.
- Energy efficiency
- Staffing review 2016
- Delivering Development and Land Strategy

PAISLEY HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Committee of Management and Executive Officers

The members of the Committee of Management and the Executive Officers are listed on Page 1.

Each member of the Committee of Management holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the Association's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Committee of Management.

The members of the Committee of Management are also Trustees of the Charity. Members of the Committee of Management are appointed by the members at the Association's Annual General Meeting.

Statement of Committee of Management's Responsibilities

The Co-operative and Community Benefit Act 2014 require the Committee of Management to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those Financial Statements, the Committee of Management 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 Committee of Management 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 2014 and the Determination of Accounting Requirements - 2015. 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 Committee of Management 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 Committee of Management 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 Committee of Management 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.

PAISLEY HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Statement on Internal Financial Control

The Committee of Management 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;
- 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 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 Committee of Management 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 Committee of Management;
- the Committee of Management 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;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Committee of Management 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.

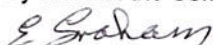
Donations

During the year the Association made charitable donations amounting to £210 (2015 £150).

Auditors

A resolution to re-appoint the Auditors, Alexander Sloan, Chartered Accountants, will be proposed at the Annual General Meeting.

By order of the Committee of Management



EILEEN GRAHAM

Secretary

25 July 2016

PAISLEY HOUSING ASSOCIATION LIMITED

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



In addition to our audit of the Financial Statements, we have reviewed your statement on Page 5 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal 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 5 has provided the disclosures required by the relevant Regulatory Standards with 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 .

ALEXANDER SLOAN
Chartered Accountants

GLASGOW
25 July 2016

We have audited the financial statements of Paisley Housing Association Limited for the year ended 31st March 2016 which comprise a statement of comprehensive income, statement of financial position, 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 accounting standard of the United Kingdom.

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 Committee of Management and Auditors

As explained more fully in the Statement of Committee of Management's Responsibilities the Association's Committee of Management, 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 of 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 31st 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 2014 and the Determination of Accounting Requirements 2015.

In our opinion the exemption granted by the Financial Conduct Authority from the requirement to prepare Group Accounts is applicable as the amounts involved are not material.

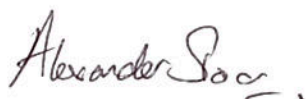
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PAISLEY HOUSING ASSOCIATION LIMITED

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 Statement of Comprehensive Income to which our report relates, and the Statement of Financial Position 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.



ALEXANDER SLOAN
Chartered Accountants
Statutory Auditors
GLASGOW
25 July 2016

PAISLEY HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2016

	Notes	2016		2015	
		£	£	£	£
REVENUE	2.		6,127,762		6,005,209
Operating Costs	2.		(4,367,855)		(4,225,320)
OPERATING SURPLUS	9.		1,759,907		1,779,889
Gain / (Loss) On Sale Of Housing Stock	7.	57,223		(4,153)	
Exceptional Item	22	65,045		531,978	
Interest Receivable and Other Income		5,235		5,612	
Interest Payable and Similar Charges	8.	(230,123)		(278,548)	
Movement in fair value of financial instruments	27.	1,066		(36,596)	
Other Finance Charges	11.	(19,038)		(31,393)	
			(120,592)		186,900
SURPLUS FOR YEAR			1,639,315		1,966,789
Other Comprehensive Income			-		-
TOTAL COMPREHENSIVE INCOME			1,639,315		1,966,789

All amounts relate to continuing operations. Comparative figures have been restated to reflect the adoption of the Housing SORP 2014 and FRS102.

The notes on pages 13 to 28 form part of these financial statements.

PAISLEY HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2016

	Notes	2016		2015	
		£	£	£	£
NON-CURRENT ASSETS					
Housing Properties - Depreciated Cost	12.(a)	49,322,303		50,089,558	
Other Non Current Assets	12.(b)	88,946		99,290	
		<u>49,411,249</u>		<u>50,188,848</u>	
INVESTMENTS					
Investment in subsidiaries	26.	2		2	
			2		2
CURRENT ASSETS					
Receivables	15.	911,196	1,024,646		
Cash at bank and in hand		3,346,822	2,786,236		
		<u>4,258,018</u>	<u>3,810,882</u>		
CREDITORS: Amounts falling due within one year	16.	<u>(1,348,070)</u>	<u>(1,435,641)</u>		
NET CURRENT ASSETS		<u>2,909,948</u>	<u>2,375,241</u>		
TOTAL ASSETS LESS CURRENT LIABILITIES		52,321,198	52,564,091		
CREDITORS: Amounts falling due after more than one year		(7,547,374)	(8,224,420)		
DEFERRED INCOME					
Social Housing Grants	19.	<u>(30,679,933)</u>	<u>(31,885,079)</u>		
		(30,679,933)	(31,885,079)		
NET ASSETS		<u>14,093,892</u>	<u>12,454,592</u>		
EQUITY					
Share Capital	20.	54	69		
Revenue Reserves		14,093,838	12,454,523		
		<u>14,093,892</u>	<u>12,454,592</u>		

Comparative figures have been restated to reflect the adoption of the Housing SORP 2014 and FRS102.

The Financial Statements were approved by the Committee of Management and authorised for issue and signed on their behalf on 25 July 2016.


Chairperson


Vice-Chairperson


Secretary

The notes on pages 13 to 28 form part of these financial statements.

PAISLEY HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2016

	Notes	2016	2015
		£	£
Net Cash Inflow from Operating Activities	18.	1,932,758	2,514,569
Investing Activities			
Acquisition and Construction of Properties	(993,519)	(1,403,207)	
Purchase of Other Fixed Assets	(19,461)	(2,474)	
Social Housing Grant Received	250,000	-	
Proceeds on Disposal of Properties	72,748	20,645	
Net Cash Outflow from Investing Activities		(690,233)	(1,385,036)
Financing Activities			
Interest Received on Cash and Cash Equivalents	5,235	4,581	
Interest Paid on Loans	(230,123)	(284,942)	
Loan Principal Repayments	(457,059)	(502,492)	
Share Capital Issued	7	12	
Net Cash Outflow from Financing		(681,939)	(782,841)
Increase in Cash		560,586	346,692
Opening Cash & Cash Equivalents		2,786,236	2,439,544
Closing Cash & Cash Equivalents		3,346,822	2,786,236
Cash and Cash equivalents as at 31 March 2016			
Cash		3,346,822	2,786,236
		3,346,822	2,786,236

The notes on pages 13 to 28 form part of these financial statements.

PAISLEY HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY

31st MARCH 2016

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1st April 2014	65	10,487,734	10,487,799
Issue of Shares	12	-	12
Cancellation of Shares	(8)	-	(8)
Surplus for Year	-	1,966,789	1,966,789
Balance as at 31st March 2015	<u>69</u>	<u>12,454,523</u>	<u>12,454,592</u>
Balance as at 1st April 2015	69	12,454,523	12,454,592
Issue of Shares	7	-	7
Cancellation of Shares	(22)	-	(22)
Surplus for Year	-	1,639,315	1,639,315
Balance as at 31st March 2016	<u>54</u>	<u>14,093,838</u>	<u>14,093,892</u>

The reserves opening balance has been restated to reflect the change in accounting requirements under the Housing SORP 2014 and FRS102.

PAISLEY HOUSING ASSOCIATION LIMITED

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, applicable for accounting periods on or after 1 January 2015.

Basis of Consolidation

The Association has obtained exemption from the Financial Conduct Authority from producing Consolidated Financial Statements. The Financial Statements for Paisley South Housing Association Limited present information about it as an individual undertaking and not about its Group.

Revenue

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised with 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 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 Statement of Financial Position. 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.

<i>Component</i>	<i>Useful Economic Life</i>
Land	Not depreciated
Structure	Over 50 years
Roofs	Over 50 years
Bathroom	Over 30 years
Windows	Over 30 years
	Over 30 years
Door Entry	Over 30 years
Kitchen	Over 15 years
Heating - Boilers	Over 14 years
Heating - Radiators	Over 28 years
Lifts	Over 30 years

PAISLEY HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016 NOTES TO THE FINANCIAL STATEMENTS (Continued)

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	- 4% Straight Line
Furniture, Fittings and Equipment	- 20% Straight Line

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

Social Housing Grant And Other Grants In Advance/Arrears

Social Housing Grants and Other Capital 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 Statement of Comprehensive Income when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Statement of Comprehensive Income in the same period 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 Statement of Comprehensive Income.

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 Statement of Comprehensive Income.

Estimation Uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Committee to exercise judgement in applying Paisley South HA's Accounting Policies. The 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 by considering that age of the debt and provided in full for all former tenant debts.

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

Useful life of Properties, Plant and Equipment

The Association assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this.

Costs of Shared Ownership

The Association allocates costs to shared ownership properties on an percentage basis split across the number of properties the Association owns.

Pension Liability

In March 2016 the Association received details from the Pension Trust of the provisional valuation of the pension scheme at September 2015 and the Pension Trust's estimate of the Association's future past service deficit contributions. The Association has used this to provide the basis of the pension past service deficit liability in the financial statements. The Board feel this is the best available estimate of the past service liability.

PAISLEY HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Leases/Leased Assets

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated over their useful lives.

Works to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

Capitalisation Of Development Overheads

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

Development Interest

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme.

Key Judgements made in the application of Accounting Policies

a) Exemptions taken in the transition to FRS 102

The Association has considered and taken advantage of the following exemptions in its first time application of FRS 102:

- i) The Association has not revisited previous accounting estimates
- ii) The Association has not revisited the accounting of previous business combinations

b) The Categorisation of Housing Properties

In the judgement of the Management Committee the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.

c) Identification of cash generating units

The Association considers its cash-generating units to be the schemes in which it manages its housing property for asset management purposes.

d) Basic financial instruments

The Association categorises all loans including those where an agreement is made to fix the rate or where there are break clauses as basic financial instruments.

Financial Instruments - Basic

The Association recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

PAISLEY HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING ACTIVITIES

	Notes	2016			2015		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities	3.	6,127,762	4,359,651	1,768,111	6,005,209	4,200,867	1,804,342
Other Activities	4.	-	8,204	(8,204)	-	24,453	(24,453)
Total		6,127,762	4,367,855	1,759,907	6,005,209	4,225,320	1,779,889

3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Shared ownership £	2016 Total £	2015 Total £
Revenue from Lettings				
Rent Receivable Net of Service Charges	4,767,809	5,858	4,773,667	4,645,413
Service Charges	194,216	-	194,216	179,426
Gross income from rent and service charges	4,962,025	5,858	4,967,883	4,824,839
Less: Rent losses from voids	25,398	-	25,398	29,903
Net Rents Receivable	4,936,627	5,858	4,942,485	4,794,936
Grants released from deferred income	1,125,947	-	1,125,947	1,166,273
Revenue grants from Scottish Ministers	59,329	-	59,329	44,000
Total turnover from affordable letting activities	6,121,903	5,858	6,127,762	6,005,209
Expenditure on affordable letting activities				
Management and maintenance administration costs	1,491,206	-	1,491,206	1,401,679
Service costs	190,794	-	190,794	188,157
Planned and cyclical maintenance, including major repairs	470,101	-	470,101	441,805
Reactive maintenance costs	533,041	-	533,041	539,525
Bad Debts - rents and service charges	47,458	-	47,458	24,744
Depreciation of affordable let properties	1,625,612	1,439	1,627,051	1,604,957
Operating costs of affordable letting activities	4,358,212	1,439	4,359,651	4,200,867
Operating surplus on affordable letting activities	1,763,691	4,420	1,768,111	1,804,342
2015	1,799,689	4,653		

The disclosure of turnover, operating costs and operating surplus from affordable letting activities has been restated to reflect the requirements of the Housing SORP 2014. Comparative figures have been restated on the same basis.

PAISLEY HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	£	£	£	£	£	£	£	£	£	£	£	£	£
Wider Role Activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Development and construction of property activities	-	-	-	-	-	-	-	-	-	3,262	-	-	(3,262)
Total From Other Activities	-	-	-	-	-	-	-	-	-	<u>4,942</u>	-	-	<u>(4,942)</u>
2015	-	-	-	-	-	-	-	-	-	<u>8,204</u>	-	-	<u>(8,204)</u>
	-	-	-	-	-	-	-	-	-	24,453	-	-	<u>(24,453)</u>

The disclosure of turnover, operating costs and operating surplus from affordable letting activities has been restated to reflect the requirements of the Housing SORP 2014. Comparative figures have been restated on the same basis.

PAISLEY HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. 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.

	2016	2015
	£	£
Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)	66,775	65,800
Pension contributions made on behalf on Officers with emoluments greater than £60,000	8,140	8,019
Emoluments payable to Chief Executive (excluding pension contributions)	66,775	65,800
Total Compensation paid to key management personnel	232,717	223,430

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

	Number	Number
	1	1
£60,001 to £70,000	1	1

6. EMPLOYEE INFORMATION

	2016	2015
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	29	27
The average total number of Employees employed during the year was	30	29
Staff Costs were:	£	£
Wages and Salaries	910,013	827,155
Social Security Costs	59,100	69,355
Other Pension Costs	76,530	66,984
Temporary, Agency and Seconded Staff	8,107	14,188
	1,053,751	977,682

PAISLEY HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. GAIN / (LOSS) ON SALE OF HOUSING STOCK

	2016	2015
	£	£
Sales Proceeds	72,748	20,645
Cost of Sales	<u>15,525</u>	<u>24,798</u>
Gain / (Loss) On Sale Of Housing Stock	<u>57,223</u>	<u>(4,153)</u>

8. INTEREST PAYABLE & SIMILAR CHARGES

	2016	2015
	£	£
On Bank Loans & Overdrafts	<u>230,123</u>	<u>278,548</u>
	<u>230,123</u>	<u>278,548</u>

9. SURPLUS FOR YEAR

	2016	2015
	£	£
Surplus is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	1,651,814	1,635,520
Auditors' Remuneration - Audit Services	9,844	10,080
Operating Lease Rentals - Land & Buildings	6,750	6,750
Gain on sale of fixed assets	<u>(57,223)</u>	<u>4,153</u>

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

	2016	2015
	£	£
Unwinding of Discounted Liabilities	<u>19,038</u>	<u>31,393</u>

PAISLEY HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. NON-CURRENT ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Completed Shared Ownership Properties £	Shared Ownership In course of Construction £	Total £
COST					
As at 1st April 2015	70,090,909	418,954	78,140	-	70,588,003
Additions	993,519	-	-	-	993,519
Disposals	(1,273,496)	-	-	-	(1,273,496)
As at 31st March 2016	69,810,933	418,954	78,140	-	70,308,027
DEPRECIATION					
As at 1st April 2015	20,468,158	-	30,287	-	20,498,445
Charge for Year	1,620,569	-	1,439	-	1,622,007
Disposals	(1,134,729)	-	-	-	(1,134,729)
As at 31st March 2016	20,953,998	-	31,726	-	20,985,724
NET BOOK VALUE					
As at 31st March 2016	48,856,935	418,954	46,414	-	49,322,303
As at 31st March 2015	49,622,751	418,954	47,853	-	50,089,558

Additions to housing properties includes capitalised development administration costs of £nil (2015 - £nil) and capitalised major repair costs to existing properties of £970,073 (2015 £1,074,102)

All land and housing properties are freehold.

Total expenditure on existing properties in the year amounted to £1,079,258. The amount capitalised is £970,073, with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £804,410 and improvement of £165,663.

The Association's Lenders have standard securities over Housing Properties with a net book value of £38,112,505 (2015 - £39,907,272).

PAISLEY HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. NON CURRENT ASSETS (Continued)

b) Other Tangible Assets	Office Premises £	Furniture & Equipment £	Total £
COST			
As at 1st April 2015	290,473	114,206	404,679
Additions	-	19,461	19,461
Eliminated on disposal	-	(18,494)	(18,494)
As at 31st March 2016	<u>290,473</u>	<u>115,173</u>	<u>405,646</u>
AGGREGATE DEPRECIATION			
As at 1st April 2015	215,259	90,130	305,389
Charge for year	11,619	18,187	29,806
Eliminated on disposal	-	(18,494)	(18,494)
As at 31st March 2016	<u>226,877</u>	<u>89,823</u>	<u>316,701</u>
NET BOOK VALUE			
As at 31st March 2016	<u>63,596</u>	<u>25,350</u>	<u>88,946</u>
As at 31st March 2015	<u>75,214</u>	<u>24,076</u>	<u>99,290</u>

13. CAPITAL COMMITMENTS

	2016 £	2015 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	<u>636,767</u>	<u>1,013,203</u>

The above commitments will be financed by a mixture of public grant, private finance and the Association's own resources.

14. COMMITMENTS UNDER OPERATING LEASES

	2016 £	2015 £
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-		
Not later than one year	8,100	-
Later than one year and not later than five years	<u>-</u>	<u>16,200</u>

Lease commitments have been restated under FRS102 to include the timing of the full payment due under the contract.

PAISLEY HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. RECEIVABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Arrears of Rent & Service Charges	174,653	187,272
Less: Provision for Doubtful Debts	(69,569)	(71,123)
	105,084	116,149
Other Receivables	717,136	839,827
Amounts Due from Group Undertakings	88,977	68,670
	911,196	1,024,646

16. PAYABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Housing Loans	470,105	373,213
Trade Payables	203,193	297,570
Rent in Advance	256,105	240,459
Other Taxation and Social Security	21,530	19,555
Other Payables	197,743	181,886
Liability for Past Service Contributions	130,661	126,875
Accruals and Deferred Income	68,734	196,083
	1,348,070	1,435,641

At the balance sheet date there were pension contributions outstanding of £23,006 (2015 £21,277)

17. PAYABLES AMOUNTS FALLING DUE AFTER ONE YEAR

	2016	2015
	£	£
Liability for Past Service Contributions	687,045	799,734
Housing Loans	6,860,328	7,424,686
	7,547,374	8,224,420
<i>Housing Loans</i>		
Amounts due within one year	470,105	373,213
Amounts due in one year or more but less than two years	468,621	379,423
Amounts due in two years or more but less than five years	1,265,637	1,150,878
Amounts due in more than five years	5,126,071	5,894,385
	7,330,434	7,797,899
Less: Amount shown in Current Liabilities	470,105	373,213
	6,860,328	7,424,686
<i>Liability for Past Service Contributions</i>		
Amounts due within one year	130,661	126,875
Amounts due in one year or more but less than two years	137,872	126,567
Amounts due in two years or more but less than five years	419,389	408,208
Amounts due in more than five years	129,784	264,959
	817,706	926,609

The Association has a number of long-term housing loans the terms and conditions of which are as follows:

Lender	Security	Interest Rate	Maturity	Variable / Fixed
Bank of Scotland	Standard Security over 3 properties	2.62%	2017	Fixed
Bank of Scotland	Standard Security over 4 properties	3.05%	2022	Fixed
Bank of Scotland	Standard Security over 3 properties	2.00%	2025	Variable
Bank of Scotland	Standard Security over 6 properties	3.05%	2022	Fixed
Bank of Scotland	Standard Security over 21 properties	2.00%	2026	Variable
Bank of Scotland	Standard Security over 9 properties	3.05%	2022	Fixed
Bank of Scotland	Standard Security over 1 properties	2.00%	2018	Variable
Bank of Scotland	Standard Security over 25 properties	0.9%+ BR	2031	Variable
Bank of Scotland	Standard Security in above properties	4.81%	2031	Fixed
Bank of Scotland	Standard Security over 25 properties	0.9%+ BR	2031	Variable
Bank of Scotland	Standard Security in above properties	4.81%	2031	Fixed
Nationwide Buiding Society	Standard Security over 11 properties	3.99%	2026	Variable
Clydesdale Bank	Standard Security over 17 properties	0.75%+ BR	2033	Variable
Clydesdale Bank	Standard Security in above properties	4.81%	2033	Fixed
Clydesdale Bank	Standard Security over 20 properties	0.67%+LIBOR	2033	Variable
Clydesdale Bank	Standard Security in above properties	2.00%	2033	Fixed
Clydesdale Bank	Standard Security over 27 properties	0.67%+LIBOR	2033	Variable
Clydesdale Bank	Standard Security in above properties	2.00%	2033	Fixed
Clydesdale Bank	Standard Security over 24 properties	0.67%+LIBOR	2034	Variable
Clydesdale Bank	Standard Security over 33 properties	0.6%+LIBOR	2034	Variable
Royal Bank Of Scotland	Standard Security over 11 properties	0.425%+BR	2035	Variable
Royal Bank Of Scotland	Standard Security over 27 properties	0.425%+BR	2035	Variable
Royal Bank Of Scotland	Standard Security over 0 properties	0.425%+BR	2035	Variable
Royal Bank Of Scotland	Standard Security over 23 properties	0.4%+BR	2038	Variable
Royal Bank Of Scotland	Standard Security over 32 properties	4.30%	2040	Fixed
Co-op Bank	Standard Security over 39 properties	2.25%+BR	2020	Variable
Co-op Bank	Standard Security over 47 properties	4.50%	2032	Fixed

All of the Association's bank borrowings are repayable in either a quarterly or monthly basis with the principal being amortised over the term of the loans

The liability for the past service contributions has been accounted for in accordance with FRS 102 para 28.13A and represents the present value of the contributions payable. The cash out flows have been discounted at a rate of 2.29% (2015 - 2.22%)

PAISLEY HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. STATEMENT OF CASH FLOWS

<i>Reconciliation of operating surplus to balance as at 31st march 2016</i>	2016 £	2015 £
Operating Surplus	1,759,907	1,779,889
Depreciation	1,651,814	1,635,520
Amortisation of Capital Grants	(1,125,947)	(1,166,273)
Change in Debtors	(32,505)	173,071
Change in Creditors	(302,517)	160,359
Pension liability movements	(17,972)	(67,989)
Share Capital Written Off	(22)	(8)
Balance as at 31st March 2016	<u>1,932,758</u>	<u>2,514,569</u>

19. DEFERRED INCOME

<i>Social Housing Grants</i>	2016 £	2015 £
Balance as at 1st April 2015	31,885,079	32,853,048
Additions in year	39,000	198,304
Released / Repaid as the result of property disposal	(118,200)	-
Amortisation in Year	(1,125,947)	(1,166,273)
	<u>30,679,933</u>	<u>31,885,079</u>

This is expected to be released to the Statement of Comprehensive Income in the following years:

	2,016 £	2,015 £
Amounts due within one year	1,125,947	1,166,273
Amounts due in one year or more	29,553,986	30,718,806
	<u>30,679,933</u>	<u>31,885,079</u>

PAISLEY HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2015	69
Issued in year	7
Cancelled in year	(22)
At 31st March 2016	<u>54</u>

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

21. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2016	2015
	No.	No.
General Needs - New Build	301	301
General Needs - Rehabilitation	903	904
Shared Ownership	2	2
	<u>1,206</u>	<u>1,207</u>

22. EXCEPTIONAL ITEM

The Association has received compensation following the review of Interest Rate Hedging and Tailored Business Loan carried out by one of the Association's Lenders.

PAISLEY HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. RELATED PARTY TRANSACTIONS

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

Those members that are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their positions to their advantage.

Governing Body Members cannot use their position to their advantage. Any transactions between the Association and any entity with which a Governing Body Member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with governing body members (and their close family) were as follows:

	£
Rent Received from Tenants on the Committee	24,090

At the year end total rent arrears owed by the tenant members of the Committee were £7.

At the year end total factoring arrears owed by the factored owners of the Committee were £0

There is a member of the Management Committee who is a Director of Community Links. The Association has a contract with Community Links worth around £17,000 per annum which has been tendered for through Public Contracts Scotland and approved by the Management Committee as a whole.

24. DETAILS OF ASSOCIATION

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

The Association's principle place of business is 64 Espedair Street, Paisley, PA2 6RW.

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

25. GOVERNING BODY MEMBER EMOLUMENTS

Board members received £1,698 in the year by way of reimbursement of expenses (2015 - £1,450). No remuneration is paid to Board members in respect of their duties in the Association.

PAISLEY HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. INVESTMENTS

	2016	2015
	£	£
Investments in Subsidiaries		
As at 31st March 2016 & 31st March 2015	<u>2</u>	<u>2</u>

In the opinion of the Committee of Management the aggregate value of the assets of the subsidiary is not less than the aggregate of the amounts at which those assets are stated in the Association's balance sheet.

The Association has a 100% owned subsidiary Paisley South Property Services Limited. The relationship between the Association and its subsidiary is set out in an independence agreement between both parties.

A balance of £88,977 (2015 - £68,670) was owed from the subsidiary to the Association at 31 March 2016. The Association recharged Paisley South Property Services Limited £32,169 (2015 - £27,995) for staff and administration costs. A gift of £nil (2015 - £nil) was made to the Association from the subsidiary's profit for the year.

Paisley South Property Services Limited collected £ (2015 - £83,070) for factoring services work carried out during the year which was paid to Paisley South Housing Association.

The aggregate amount of capital and reserves and the results of Paisley South Property Services Limited for the year ended 31st March 2016 were as follows:

	2016	2015
	£	£
Capital & Reserves	<u>6,661</u>	<u>5,934</u>
Profit for the year	<u>727</u>	<u>2,434</u>

27. MOVEMENT IN FAIR VALUE OF FINANCIAL INSTRUMENTS

	2016	2015
	£	£
Movement in fair value of pension past service deficit	<u>1,066</u>	<u>(36,596)</u>

PAISLEY HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. RETIREMENT BENEFIT OBLIGATIONS

General

Paisley Housing Association Limited participates in the Scottish Housing Association 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. The Association also participated in the growth fund within the 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 period under FRS102 represents the employer contribution payable.

The last provisional valuation of the main Scheme was performed as at 30th September 2015 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £612m. The valuation revealed a shortfall of assets compared with the value of liabilities of £198m (equivalent to a past service funding level of 76%).

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.

Based on the provisional valuation the Scheme has provided an estimate of the contributions required to fund the past service deficit. Under the new proposals the Association will make payments of £142,204 from 1 April 2017. Payments are expected to increase by 3% per annum and continue until February 2022. Once finalised the proposals will replace the original plan which was expected to have lasted 10 years.

All employer's 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 £817,706 (2015 - £926,609). This was calculated by reference to the terms of the provisional valuation and funding plan 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 £126,875 (2015: £123,179) to the pension scheme during the year.

PAISLEY HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29. 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 period beginning on 1 April 2015. As a result of this the comparative figures for the period 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.

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 period ending 31 March 2016.

Reconciliation of Capital & Reserves							
At 31 March 2015				At 31 March 2014			
Note	As previously Stated	Effect of Transition	As Restated	As previously Stated	Effect of Transition	As Restated	
	£	£	£	£	£	£	£
Non Current Assets	(i)	16,028,816	34,160,032	50,188,848	15,664,039	34,981,236	50,645,275
Investments		2	-	2	2	-	2
Current Assets		3,810,882	-	3,810,882	2,838,331	-	2,838,331
Current Liabilities	(ii)	(1,299,049)	(136,592)	(1,435,641)	(1,209,159)	(133,466)	(1,342,625)
Non Current Liabilities	(ii)	(7,424,686)	(799,734)	(8,224,420)	(7,940,343)	(859,793)	(8,800,136)
Deferred Income	(i)	-	(31,885,079)	(31,885,079)	-	(32,853,048)	(32,853,048)
		11,115,965	1,338,627	12,454,592	9,352,870	1,134,929	10,487,799
Capital & Reserves		(11,115,965)	(1,338,627)	(12,454,592)	(9,352,870)	(1,134,929)	(10,487,799)

Reconciliation of Retained Surpluses for the Year				
Year Ended 31 March 2015				
Note	As previously Stated	Effect of Transition	As Restated	
	£	£	£	£
Revenue	(i)	4,838,936	1,166,273	6,005,209
Operating Costs	(i) & (ii)	(3,330,734)	(894,586)	(4,225,320)
Other Income		(4,153)	-	(4,153)
Exceptional Item		531,978	-	531,978
Interest Receivable		5,612	-	5,612
Interest Payable		(278,548)	-	(278,548)
Change in Fair Value of Financial Instrument		-	(67,989)	(36,596)
		1,763,091	203,698	1,966,789
Surplus		1,763,091	203,698	1,966,789

Notes to the Reconciliations

(i) - Social Housing Grants and Other grants have been accounted for in accordance with the SORP which has meant that grants are no longer deducted from the cost of the capital asset, but are instead treated as deferred income which is recognised in income over the useful life of the related asset.

(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. This 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 FRS 102 para 28.13A