

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

**Financial Conduct Authority No. 1824 R (S)**  
**Registered Housing Association No. HAL 168**  
**Scottish Charity No. SC033751**

**FRENCH DUNCAN LLP**  
**Statutory Auditor**

**Glasgow**

**PARTICK HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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**Registration Particulars:**

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014Registered Number 1824 R (S)
Scottish Housing Regulator	Housing (Scotland) Act 2014 Registered Number HAL 168
Office of the Scottish Charity Regulator	Charity and Trustee Investment (Scotland) Act 2005 Scottish Charity Number SC033751

**PARTICK HOUSING ASSOCIATION LIMITED  
BOARD, EXECUTIVE OFFICERS AND PROFESSIONAL ADVISERS  
31 MARCH 2016**

**CHAIRPERSON**

Leslie Milne

**VICE CHAIRPERSON**

Ian Nicholson

**BOARD MEMBERS**

Annette Bonar	
Hazel Brown	(resigned 23 May 2016)
Margaret Burke	
Alastair Firth	
Alan Howie	
Edward Jones	
Iain Mackenzie	(appointed 17 September 2015)
Janet Napthine	
Helen Turner	(appointed 17 September 2015)
Jennifer Young	
Paul Robertson	(resigned 24 June 2015)

**SECRETARY**

Stewart MacKenzie

**EXECUTIVE OFFICERS**

Stewart MacKenzie	Chief Executive (appointed 13 April 2015)
Eamonn Hughes	Finance Director
Nick Ronan	Development Director
Lynne Donnelly	Operations Director (resigned 4 October 2015)
Georgina Kent	Operations Director (appointed 23 November 2015)
Barry Shields	Head of ICT Business Services (resigned 31 March 2016)

**REGISTERED OFFICE**

10 Mansfield Street  
Glasgow  
G11 5QP

**AUDITORS**

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

**BANKERS**

Clydesdale Bank  
326 Byres Road  
Glasgow  
G12 8AN

**SOLICITORS**

MSM Hart Smith  
43 Crow Road  
Glasgow  
G11 7SH

# **PARTICK HOUSING ASSOCIATION LIMITED**

## **REPORT OF THE BOARD OF MANAGEMENT**

### **FOR THE YEAR ENDED 31 MARCH 2016**

The Board of Management present their report and audited financial statements for the year ended 31 March 2016.

#### **Legal Status**

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2016 No. 1824 R (S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SCO33751.

#### **Principal Activity**

The principal activity of the Association is the provision of affordable rented accommodation.

#### **Financial Review**

#### **Accounting Policies**

The Association's accounting policies comply with UK Generally Accepted Accounting Principles. The major accounting policies in terms of impact on the financial statements are the treatment of capital grants and the calculation of housing property depreciation.

#### **Treasury Policy**

The treasury function manages the Association's financial resources to ensure it can meet its financial obligations as they fall due.

During the year cash flow was positive (more cash generated than spent) by £2,433,478. This was the effect of net cash inflow from operating activities of £2,583,304, social housing grant received of £3,014,916 and loan finance received of £5,600,000 offset by investment and development construction spend of £8,075,569, loan repayments of £354,817 and interest paid of £410,244.

Net debt increased in the year by £2,811,705 to £14,127,625 due to loan finance received of £5,600,000 offset by loan repayments of £354,817 and the increase in cash of £2,433,478.

The Association continues to apply its Treasury Management policy to maximise the resources available to it and is confident that it will continue to be able to access loan facilities when required

#### **Revenue**

Total revenue decreased in the year by £266,665 to £7,120,878 due to property development sales decreasing by £228,277, grants for wider role activities falling by £112,386 and a reduced gift aid payment received from the subsidiary by £74,783. Gross income from social rents and service charges increased in the year by 4.55% to £6,792,857 and voids amounted to £29,318, (i.e. 0.4% of gross income). Revenue grants for social letting activities decreased in the year by £48,744 to £93,966.

#### **Operating Costs**

Operating costs decreased in the year by 12.0% to £5,289,374 with housing maintenance costs decreasing by 4.5% to £1,634,093 and housing depreciation increasing by 6.9% to £1,473,002.

# **PARTICK HOUSING ASSOCIATION LIMITED REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2016**

## **Interest Covenants**

Including the loss on sale of housing accommodation the Association's interest cover was 787% (2015 - 771%).

## **Statement of Financial Position (Balance Sheet)**

The net worth of the Association increased in the year by £1,240,558 to £37,325,295 represented by revenue reserves of £37,325,118 and issued share capital of £177.

## **Surplus for the year and transfers**

The results for the year are shown in the Statement of Comprehensive Income on page 13. The surplus for the year of £1,240,558 (2015 - £852,742) has been transferred to revenue reserves.

## **Operational Review**

### **Corporate Governance**

The Association is the charitable parent of the group and has a clear and separate identity. The members of the group are:

	<u>Activity</u>
Partick Housing Association Limited	Provision of rented accommodation
Partick Works Limited	Factoring, rental of commercial properties and development of real estate.

Our governing body is our Board of Management, which is elected by and is responsible to the wider share membership. Board of Management members, who serve in a voluntary capacity are responsible for determining the overall direction of the Association, its strategy and policy. The Board exercises proper control over our activities and makes decisions in the best interests of the organisation and its service users. Standards of service delivery are set and monitored regularly through regular reporting.

We take governance very seriously and review our Governance policies and processes regularly. As part of that we undertake self assessment of our performance and ensure that we have the right mix of skills and expertise to meet the responsibilities which we hold. We operate to high ethical standards and conduct our business in accordance with our Code of Conduct.

The Executive Team is responsible for delivering the strategy set by the Board of Management and undertakes the operational activities in line with the policies set.

This report details issues that have arisen during the year relating to the main activities undertaken by Partick Housing Association Limited.

### **Corporate Issues**

Involvement and participation of our service users is a major part of the Association's aims and objectives, and we continue to review how we involve our service users in our activities through our customer engagement strategy.

Similarly the Association is committed to involving staff in decision making and policy making. We recognise that people are our most valuable resource and we are committed to engaging stakeholders in the development of our business planning process and ensuring that people have the skills and knowledge to enable our business objectives to be delivered.

**PARTICK HOUSING ASSOCIATION LIMITED  
REPORT OF THE BOARD OF MANAGEMENT  
FOR THE YEAR 31 MARCH 2016**

**Best use of resources**

We regularly conduct risk assessments, and take any action necessary to reduce or limit risk. We have continued programmes of major investment in our housing stock. This includes both carrying out major repairs, and also considering whether any of our older schemes should be remodelled to meet the changing requirements of tenants in the future. We are updating our stock condition information, to ensure that our long-term financial planning reflects our future investment requirements. We have continued our programme of best value reviews, to look for efficiencies and economies in the way that we carry out business processes.

**Services**

We aim to deliver high quality services, and we set ourselves the goal of achieving continuous improvement in what we do. In our housing stock, we continued to invest in our major repairs programme and brought new schemes into management.

Our focus on rent arrears management continued, with clearer information to tenants, and a wider range of ways to pay. We continued to deliver many completed adaptations to existing properties, to meet the specific needs of our tenants.

**Risk Management Policy**

The Board have, with advice from their auditors, a formal risk management process in place to assess business risks and implement risk management strategies. This involved identifying the types of risks the Association faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Board have reviewed the adequacy of the Association's current internal controls.

Accordingly they have set policies on internal controls which cover the following:

- consideration of the type of risks the Association faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks concerned materialising;
- the Association's ability to reduce the incidence and impact on the business of risks that do materialise and the costs of operating particular controls relative to the benefit obtained;
- clarification of the responsibility of management to implement the Board's policies and to identify and evaluate risks for their consideration;
- communication that employees have responsibility for internal control as part of their accountability for achieving objectives;
- embedding the control system in the Association's operations so that it becomes part of the culture of the Association;
- developing systems to respond quickly to evolving risks arising from factors within the Association to changes in the external environment; and
- including procedures for reporting failings immediately to appropriate levels of management and the Board together with details of corrective action being undertaken.

**PARTICK HOUSING ASSOCIATION LIMITED  
REPORT OF THE BOARD OF MANAGEMENT  
FOR THE YEAR ENDED 31 MARCH 2016**

**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.

**Maintenance policies**

The Association seeks to maintain its properties to the highest standard, including day to day repairs and cyclical maintenance 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 Statement of Comprehensive Income.

In addition, the Association has a long-term programme of major repairs to replace components which have come to the end of their lives or to update standards as a result of legislative changes. The cost of these repairs would be charged to the Statement of Comprehensive Income, unless it was agreed they could be capitalised within the terms outlined in the SORP.

**Treasury Management**

The Association has an active treasury management function, which operates in accordance with the Treasury Policy approved by the Board 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.

**Employee Involvement and Health & Safety**

The Association encourages employee involvement in all major initiatives and maintaining Health & Safety standards in all areas.

**Quality and Integrity of Personnel**

The integrity and competence of personnel are ensured through high recruitment standards and subsequent training and development. High quality personnel are an essential part of the control environment and the ethical standards set out in policies are communicated to all by the Chief Executive.

**Investment Appraisal**

Capital expenditure is regulated by budgetary process and authorisation levels. For expenditure beyond specified levels, detailed written proposals have to be submitted to the Board. Reviews are carried out during the development period, to monitor expenditure and performance.

**Budgetary Process**

Each year the Board of Management approves the annual budget and rolling three-year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Board of Management 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.

**PARTICK HOUSING ASSOCIATION LIMITED  
REPORT OF THE BOARD OF MANAGEMENT  
FOR THE YEAR ENDED 31 MARCH 2016**

**Rental income**

The Association's Rent Policy is a points system based on the size, type and facilities of the accommodation. The policy ensures that the rent structure is easy to administer and covers the wide variations within the Association's properties. The point's value is reviewed annually to ensure that the rents cover the required costs. This policy follows the generally accepted practice/principles of the sector.

**Disabled employees**

The Association is accredited as being Positive about Disability. Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with our Equal Opportunities Policy and their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to enable them to remain in employment, including making any alterations or re training 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.

**General Reserves Policy**

The Board members have reviewed the reserves of the Association. 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. The Board of Management is satisfied that the Association has a sufficient level of reserves to meet future commitments. During the year the Association's general reserve increased from £36.08m to £37.33m (see note 19).

**Home ownership**

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.

The Association sold one property under right to buy in the year.

**Developments**

During 2016 the development at the Broomlea School site continued and is scheduled to be completed in September 2016. By the end of the 2015/16 financial year £6.2 million had been spent on the project and grants totaling £3.2 million had been drawn down. This project will deliver 14 social rented houses, 18 mid market rent flats and a 14 bed-space supported accommodation facility.

During 2015/16 the Association acquired 2 tenement flats from owner occupiers, on the open market with vacant possession, in common closes factored by Partick Works Limited. The flats are being upgraded and let as social rented units. The total cost of acquiring the flats was £227k with grant received to cover this cost. The acquisition of these flats will help Partick Works Limited to improve the management of the common closes in which they are located.



**PARTICK HOUSING ASSOCIATION LIMITED  
REPORT OF THE BOARD OF MANAGEMENT  
FOR THE YEAR ENDED 31 MARCH 2016**

**Future developments**

The Association purchased the site of the former St Peters School on Chancellor Street in March 2016 for £1.3m. An offer of grant covering the full price and legal fees was accepted and the funds drawn down. The development of this site will be progressed during 2016/17. It has the potential to deliver approximately 60 flats. The tenure mix of these units is yet to be determined.

**Statement of Board of Management's Responsibilities**

The Co-operative and Community Benefit Act 2014 require the Board of Management to prepare Financial Statements for each financial year which give a true and fair view of affairs of the Association and of the surplus or deficit for that period. In preparing those financial statements, the Board of Management is required to:-

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business; and
- prepare a Statement on Internal Financial Control.

The Board 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. They are also responsible for ensuring the Association's suppliers are paid promptly.

The Board of Management must, in determining how amounts are presented within items in the Statement of Comprehensive Income & Statement of Financial Position, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

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

The Board of Management confirm that the financial statements comply with the requirements.

**PARTICK HOUSING ASSOCIATION LIMITED  
REPORT OF THE BOARD OF MANAGEMENT  
FOR THE YEAR ENDED 31 MARCH 2016**

**Statement on Internal Financial Control**

The Board 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 Board 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 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 and annual appraisal procedures have been established to maintain standards of performance.
- Forecasts and budgets are prepared regularly which allow the Board and staff to monitor the key business risks and financial objectives and progress towards the financial plans set for the year and the medium term; quarterly management reports are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variance from budgets are 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 Board of Management.
- The Board review reports from management and from both internal and external auditors to provide reasonable assurance that control procedures are in place and are being followed 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 weaknesses identified from the above reports.

The Board of Management have reviewed the system of internal financial control in the Association during the year ended 31 March 2016. 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.

**PARTICK HOUSING ASSOCIATION LIMITED  
REPORT OF THE BOARD OF MANAGEMENT  
FOR THE YEAR ENDED 31 MARCH 2016**

**Auditors**

A resolution to reappoint French Duncan LLP, Statutory Auditor, as auditors will be put to the members at the annual general meeting.

By order of the Board of Management



S MacKenzie : Secretary

Date: 24 August 2016

## **PARTICK HOUSING ASSOCIATION LIMITED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARTICK HOUSING ASSOCIATION LIMITED**

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

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

### **Respective responsibilities of the Board and auditor**

As explained more fully in the Board's Responsibilities Statement set out on page 7, the Board is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of 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 Board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in The Board of Management report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Group accounts Section 98 of the Co-operative and Community Benefit Societies Act 2014**

We agree with the opinion of the Board of Management of the Association that it would be of no real value to the members of the Association to consolidate or include the accounts of the Association's subsidiary, in the group accounts required to be prepared under Section 99 of the Co-operative and Community Benefit Societies Act 2014 for the year ended 31 March 2016, because the business of the Association and that of its subsidiary are so different they cannot be treated as a single undertaking.

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2016 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements April 2015.

**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 Board of Management'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.



**French Duncan LLP**  
Chartered Accountants  
Statutory Auditors  
Glasgow

Date: 13/09/2016

**PARTICK HOUSING ASSOCIATION LIMITED**  
**INDEPENDENT AUDITOR'S REPORT ON CORPORATE GOVERNANCE MATTERS**

**Corporate Governance**

In addition to our audit of the financial statements, we have reviewed the Board of Management's statement on page 8 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 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 reason given for non-compliance.

**Opinion**

In our opinion the Statement on Internal Financial Control on page 8 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

Through enquiry of certain members of the Board of Management and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Board of Management's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



**French Duncan LLP**  
Chartered Accountants  
Statutory Auditors  
Glasgow

Date: 13/09/2016.

**PARTICK HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	£	2016 £	£	Restated 2015 £
<b>REVENUE</b>	2		7,120,878		7,387,543
Operating Costs	2		(5,289,374)		(6,008,184)
<b>OPERATING SURPLUS</b>	6		<u>1,831,504</u>		<u>1,379,359</u>
Gain (Loss) On Sale Of Housing Stock		(119,067)		(48,739)	
Interest Receivable and Other Income		41,519		31,718	
Interest Payable and Similar Charges	7	(410,244)		(355,333)	
Other Finance Charges	8	(103,154)		(154,263)	
			<u>(590,946)</u>	<u></u>	<u>(526,617)</u>
<b>SURPLUS FOR YEAR</b>			<u>1,240,558</u>		<u>852,742</u>
<b>Other Comprehensive Income</b>			-		-
<b>TOTAL COMPREHENSIVE INCOME</b>			<u>1,240,558</u>		<u>852,742</u>

The notes on pages 17 to 36 form part of these financial statements.

**PARTICK HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2016**

	Notes	2016 £	Restated 2015 £
<b>NON-CURRENT ASSETS</b>			
Housing Properties - Depreciated Cost	10 (a)	61,180,357	54,696,856
Other Non Current Assets	10 (b)	842,113	861,462
		<u>62,022,471</u>	<u>55,558,318</u>
Investments	11	1,000,000	1,000,000
<b>Total Non Current assets</b>		<u>63,022,471</u>	<u>56,558,318</u>
<b>CURRENT ASSETS</b>			
Debtors	13	2,739,746	2,360,073
Cash at bank and in hand		3,154,302	720,824
		<u>5,894,047</u>	<u>3,080,897</u>
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>(3,148,157)</u>	<u>(3,136,892)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		2,745,890	(55,994)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>65,768,361</u>	<u>56,502,323</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	15	(21,218,904)	(16,139,345)
<b>DEFERRED INCOME</b>			
Social Housing Grants	17	(7,224,162)	(4,278,241)
Other Grants	17	-	-
		<u>(7,224,162)</u>	<u>(4,278,241)</u>
<b>NET ASSETS</b>		<u>37,325,295</u>	<u>36,084,737</u>
<b>EQUITY</b>			
Share Capital	18	177	177
Revenue Reserves	19	37,325,118	36,084,560
		<u>37,325,295</u>	<u>36,084,737</u>

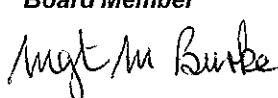
The notes on pages 17 to 36 form part of these financial statements.

The Financial Statements were approved by the Board of Management and authorised for issue and signed on their behalf on 24th August 2016.

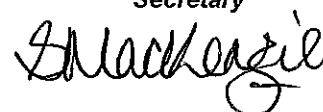
**Chairperson**



**Board Member**



**Secretary**





**PARTICK HOUSING ASSOCIATION LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016	Restated 2015
		£	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	16	2,583,304	2,395,737
<b>INVESTING ACTIVITIES</b>			
Acquisition and Construction of Properties	(8,075,569)	(4,622,738)	
Purchase of other Fixed Assets	-	(128,493)	
Social Housing Grant Received	3,014,916	2,252,847	
Proceeds on Disposal of Properties	34,351	42,676	
<b>Net Cash Outflow from Investing Activities</b>		(5,026,303)	(2,455,708)
<b>FINANCING ACTIVITIES</b>			
Interest received on Cash and Cash Equivalents	41,519	31,718	
Interest paid on Loans	(410,244)	(355,333)	
Loan finance received	5,600,000	1,700,000	
Loans Principal Repayments	(354,817)	(1,306,988)	
Shares issued	19	9	
<b>Net Cash Inflow from Financing</b>		4,876,476	69,406
<b>Increase in Cash</b>		2,433,478	9,435
<b>Opening Cash &amp; Cash Equivalents</b>		720,824	711,389
<b>Closing Cash &amp; Cash Equivalents</b>		3,154,302	720,824

The notes on pages 17 to 36 form part of these financial statements.

**PARTICK HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**31 MARCH 2016**

	Share Capital £	Revenue Reserve £	Total £
<b>Balance as at 1st April 2015</b>	177	36,084,560	36,084,737
Issue of Shares	19	-	19
Cancellation of Shares	(19)	-	(19)
Surplus for year	-	1,240,558	1,240,558
<b>Balance as at 31st March 2016</b>	177	37,325,118	37,325,295

	Share Capital £	Revenue Reserve £	Total £
<b>Balance as at 1st April 2014</b>	212	35,231,818	35,232,030
Issue of Shares	9	-	9
Cancellation of Shares	(44)	-	(44)
Surplus for year	-	852,742	852,742
<b>Balance as at 31st March 2015</b>	177	36,084,560	36,084,737

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**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.

**Turnover**

Turnover represents income receivable from rents and service charges, fees receivable, grants and other income.

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

**Accounting Judgements and Estimations**

The preparation of financial statements requires the use of certain accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts where required or appropriate and other factors.

In determining the value of the Association's share of defined benefit pension scheme assets and obligations, the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds.

**Bad and Doubtful Debts**

Provision is made against rent arrears and former tenants as well as other miscellaneous debts to the extent that they are considered potentially irrecoverable. Debts are classed as uncollectable after an assessment of the legislative options available to recover and consideration of specific circumstances.

**Pensions**

The Association participates in the Scottish Housing Associations' Pension Scheme and retirement benefits to employees of the Association are funded by contributions from all participating employers and employees in the Scheme. Payments are made to the independently administered Pensions Trust in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Associations and companies 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.

Further details on the scheme are contained in note 24.

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**1 PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Valuation of Housing Properties**

The Association has elected under paragraph 35.10 of FRS 102 to revalue its social housing properties at the date of transition to FRS 102 (April 2014) and to treat this one-off valuation as the 'deemed cost' of the properties. The properties were valued on an Existing Use Value for Social Housing (EUV-SH) basis by an independent professional advisor qualified by the Royal Institution of Chartered Surveyors to undertake valuations.

Additions to Housing properties from 1 April 2014 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 lives of each identified component. All components are categorised as Housing Properties within note 10(a). 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>
Kitchen	15 years
Central Heating System	15 years
Bathroom	25 years
Windows	30 years
Structure	50 years

**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	- 2 %
Office Furniture & Equipment	- 25%

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

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**1 PRINCIPAL ACCOUNTING POLICIES (Continued)**

**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 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.

**Sale of Housing Properties**

Disposals of housing properties under the Right to Buy scheme are treated as non-current asset disposals and any gain and loss on disposal accounted for in the Statement of Comprehensive Income.

**Lease Obligations**

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

**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.

**Value Added Tax**

The Association is VAT registered. However, a large proportion of the income, namely rents, is exempt for VAT purposes, and therefore gives rise to a partial exemption calculation. Expenditure as a result is shown inclusive of VAT.

**Consolidation**

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

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**1 PRINCIPAL ACCOUNTING POLICIES (Continued)**

**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 combinations

*(b) The Categorisation of Housing Properties*

In the judgement of the Board of Management 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.

*(iii) 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.

**Financial Instruments – Basic**

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

The Association's debt instruments are measured at amortised costs using the effective interest rate method.

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**2 PARTICULARS OF REVENUE, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS**

	Notes	2016 Revenue £	2016 Operating Costs £	Operating Surplus / (Deficit) £	2015 Revenue £	2015 Operating Costs £	Operating Surplus / (Deficit) £
<b>Social Lettings</b>	3 (a)	6,926,500	5,283,294	1,643,205	6,781,961	5,637,102	1,144,859
<b>Other Activities</b>	3 (b)	194,378	6,080	188,299	605,582	371,082	234,500
<b>Total</b>		<u>7,120,878</u>	<u>5,289,374</u>	<u>1,831,504</u>	<u>7,387,543</u>	<u>6,008,184</u>	<u>1,379,359</u>

**3 (a) PARTICULARS OF INCOME & EXPENDITURE FROM SOCIAL LETTINGS**

	General Needs Housing £	Shared ownership £	2016 Total £	Restated 2015 Total £
<b>Revenue from Lettings</b>				
Rent Receivable Net of Identifiable Service Charges	6,599,874	44,691	6,644,565	6,345,419
Service Charges Receivable	148,291	-	148,291	151,975
<b>Gross Rents Receivable</b>	<u>6,748,166</u>	<u>44,691</u>	<u>6,792,857</u>	<u>6,497,394</u>
<b>Less: Rent losses from voids</b>	<u>(29,318)</u>	<u>-</u>	<u>(29,318)</u>	<u>(23,947)</u>
<b>Net Rents Receivable</b>	<u>6,718,848</u>	<u>44,691</u>	<u>6,763,539</u>	<u>6,473,448</u>
Amortisation of Social Housing Grants and Other Grants	68,996	-	68,996	165,804
Revenue Grants from Scottish Ministers	93,966	-	93,966	142,710
Revenue Grants From Local Authorities and Other Agencies	-	-	-	-
<b>Total Income From Social Letting</b>	<u>6,881,809</u>	<u>44,691</u>	<u>6,926,500</u>	<u>6,781,961</u>
<b>Expenditure on Social Letting Activities</b>				
Service Costs	122,722	-	122,722	138,501
Management and maintenance administration costs	2,034,207	13,775	2,047,981	2,407,714
Reactive Maintenance	1,090,064	-	1,090,064	1,097,806
Bad Debts - Rents and Service Charges	5,495	-	5,495	1,967
Planned and Cyclical Maintenance, including Major Repairs	544,030	-	544,030	613,674
Depreciation of Social Housing	1,461,780	11,222	1,473,002	1,377,441
Impairment of Housing	-	-	-	-
<b>Operating Costs of Social Letting</b>	<u>5,258,298</u>	<u>24,997</u>	<u>5,283,294</u>	<u>5,637,102</u>
<b>Operating Surplus on Social Letting Activities</b>	<u>1,623,511</u>	<u>19,694</u>	<u>1,643,205</u>	<u>1,144,859</u>
<b>2015</b>	<u>1,125,009</u>	<u>19,850</u>	<u>1,144,859</u>	

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**3(b) PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES**

	Grants From Scottish Ministers £	Other Income £	Total Turnover £	Operating Costs £	Operating Surplus / (Deficit) 2016 £	Operating Surplus / (Deficit) 2015 £
Wider Role Activities	14,446	-	14,446	6,080	8,366	13,768
Support Activities	-	-	-	-	-	-
Gift Aid from Trading Subsidiary	-	67,937	67,937	-	67,937	77,975
Other Income/Expenditure	-	111,995	111,995	-	111,995	142,757
<b>Total From Other Activities</b>	<b>14,446</b>	<b>179,932</b>	<b>194,378</b>	<b>6,080</b>	<b>188,299</b>	<b>234,500</b>
<b>2015 Restated</b>	<b>285,093</b>	<b>320,489</b>	<b>605,582</b>	<b>371,082</b>	<b>234,500</b>	

**4 EMPLOYEE INFORMATION**

The average weekly number of persons employed during the year was:

- management	5	5
- operational	45	44
	<u>50</u>	<u>49</u>

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

- management	5	5
- operational	41	40
	<u>46</u>	<u>45</u>

	2016 £	2015 £
Staff Costs:		
Wages & Salaries	1,510,402	1,453,433
National Insurance Contributions	88,947	91,356
Pension Contributions	546,806	534,403
	<u>2,146,155</u>	<u>2,079,192</u>
Agency employment costs	<u>23,043</u>	<u>26,691</u>

Pension contributions of £546,806 (2015 - £534,403) include past service deficit contributions of £386,569 (2015 - £375,715).

Partick Housing Association employs all of the staff that work for the group. The total Staff costs have been apportioned to the trading subsidiary on the basis of time spent as follows:

	2016 £	2015 £
Partick Housing Association	1,677,569	1,637,516
Partick Works (Trading Subsidiary)	468,586	441,676
	<u>2,146,155</u>	<u>2,079,192</u>



**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**5 OFFICERS' EMOLUMENTS**

The Officers are defined in the Co-operative and Community Benefit Societies Act 2014. No emoluments have been paid to any member of the Board Of Management. One Officer of the Association received emoluments greater than £60,000. Aggregate emoluments payable to Officers with Emoluments greater than £60,000 (excluding pensions contributions)

	2016 £	2015 £
Total Emoluments (excluding pension contributions)	<u>73,618</u>	<u>64,051</u>
Emoluments of Chief Executive (excluding pension contributions)	<u>73,618</u>	<u>64,051</u>

The Chief Executive is an ordinary member of the Association's pension scheme described below. No enhanced or special terms apply to membership and the Chief Executive has no other pension arrangements to which the Association contribute. The Association's contributions for the Chief Executive in the year amounted to £9,350 (2015 - £8,701). The Chief Executive post was vacant for the last two months of 2015.

The number of Directors, including the Chief Executive, who received emoluments (excluding pension contributions) the following range were as follows:

	2016 Number	2015 Number
£60,001 - £70,000	-	-
£70,001 - £80,000	1	1

**6 SURPLUS FOR YEAR**

Operating surplus is stated after charging:-

	2016 £	2015 £
Depreciation	1,492,351	1,396,790
Loss on sale of housing accommodation	119,067	48,739
Loss on sale of other fixed assets	-	-
Auditors remuneration - audit services	11,555	11,650
other services	<u>769</u>	<u>786</u>

**7 INTEREST PAYABLE & SIMILAR CHARGES**

	2016 £	2015 £
On Bank Loans and Overdraft	410,244	355,333
On other loans	-	-
	<u>410,244</u>	<u>355,333</u>

**8 OTHER FINANCE CHARGES**

	2016 £	2015 £
Unwinding of Discounted Liabilities	<u>(103,154)</u>	<u>(154,263)</u>

**9 TAXATION**

The Association received charitable status on 29 October 2002. There are no corporation tax charges on its charitable activities. Group non charitable activities are carried out by Partick Works

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**10 NON-CURRENT ASSETS**

**(a) Housing Properties**

	Housing properties held for letting £	Housing properties under construction £	Shared Ownership housing properties £	Total £
<u>Cost</u>				
At 1 April 2015	52,057,600	3,389,125	627,570	56,074,295
Additions	2,321,394	5,754,175	-	8,075,569
Transfer to current assets	-	-	-	-
Transfers	522,779	(456,305)	(66,474)	-
Disposals	(132,349)	-	-	(132,349)
At 31 March 2016	54,769,424	8,686,995	561,096	64,017,514
<u>Depreciation</u>				
At 1 April 2015	1,367,559	-	9,879	1,377,438
Transfers	-	-	-	-
Disposals	(13,282)	-	-	(13,282)
Charge for year	1,461,780	-	11,222	1,473,002
Impairment	-	-	-	-
At 31 March 2016	2,816,057	-	21,101	2,837,158
<u>Net Book Value</u>				
At 31 March 2016	51,953,367	8,686,995	539,995	61,180,357
At 31 March 2015	50,690,042	3,389,125	617,691	54,696,856

**(b) Other Tangible Assets**

	Office Premises £	Office Furniture & Equipment £	Total £
<u>Cost</u>			
At 1 April 2015	967,445	141,516	1,108,961
Additions	-	-	-
Disposals	-	-	-
At 31 March 2016	967,445	141,516	1,108,961
<u>Depreciation</u>			
At 1 April 2015	105,983	141,516	247,499
Charge for year	19,349	-	19,349
Disposals	-	-	-
At 31 March 2016	125,332	141,516	266,848
<u>Net Book Value</u>			
At 31 March 2016	842,113	-	842,113
At 31 March 2015	861,462	-	861,462

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

<b>11 INVESTMENTS</b>	<b>2016 £</b>	<b>2015 £</b>
Partick Works Limited	<u>1,000,000</u>	<u>1,000,000</u>

The Association holds all of the issued share capital in the subsidiary, Partick Works Limited.  
Partick Works Limited is a limited company registered in Scotland.

	<b>Capital and Reserves £</b>	<b>Turnover £</b>	<b>Profit/(loss) for year £</b>
Partick Works Limited	<u>1,445,616</u>	<u>1,320,369</u>	<u>36,368</u>

**Activity**

Factoring, rental of commercial properties and development of real estate.

<b>12 STOCK</b>	<b>2016 £</b>	<b>2015 £</b>
New build development costs	-	-
Less: Grant received	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

<b>13 DEBTORS</b>	<b>2016 £</b>	<b>Restated 2015 £</b>
Gross arrears of rent and service charges	182,648	181,405
Less: Bad debt provision	<u>(151,177)</u>	<u>(140,861)</u>
Net arrears of rent and service charges	31,472	40,544
Development funding receivable	595,554	36,752
Other debtors	1,931,274	2,080,137
Prepayments and accrued income	<u>181,445</u>	<u>202,640</u>
	<u>2,739,746</u>	<u>2,360,073</u>

Other debtors include a balance due from the Association's subsidiary as follows:

Partick Works Limited	<u>1,875,073</u>	<u>1,957,771</u>
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The balance due from Partick Works Limited is receivable after one year.

<b>14 CREDITORS DUE WITHIN ONE YEAR</b>	<b>2016 £</b>	<b>Restated 2015 £</b>
Housing loans	222,723	354,823
Taxation and social security costs	36,702	29,280
Rent in advance	194,842	209,231
Accruals and deferred income	992,120	945,331
Liability for Past Pension Service Contributions	384,000	373,000
Other creditors	<u>1,317,770</u>	<u>1,225,227</u>
	<u>3,148,157</u>	<u>3,136,892</u>

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**15 CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR**

	<b>2016</b>	<b>Restated 2015</b>
	<b>£</b>	<b>£</b>
Housing loans	17,059,204	11,681,921
Liability for Past Pension Service Contributions	4,159,700	4,457,424
	<u>21,218,904</u>	<u>16,139,345</u>

Housing Loans are secured by specific charges on the Association's housing properties and are repayable at rates of interest of 1% to 4.1% (2015: 1% to 4.1%) in instalments due as follows:

- within one year	222,723	354,823
- between one and two years	740,912	520,725
- between two and five years	2,217,827	1,547,378
- in five years or more	14,100,465	9,613,818
	<u>17,281,927</u>	<u>12,036,744</u>
Less: Amount shown in Current Liabilities	222,723	354,823
	<u>17,059,204</u>	<u>11,681,921</u>

**16 STATEMENT OF CASH FLOWS**

***Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities***

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Operating surplus for the year	1,831,504	1,379,359
Shares forfeited in year	(19)	(44)
Social Housing Grant Amortisation	(68,996)	(165,804)
Pension Deficit Provision movement	(389,878)	(154,715)
Depreciation	1,492,351	1,486,828
Loss on sale of other fixed assets	-	-
Decrease/(increase) in stock	-	-
(Increase)/Decrease in debtors	(379,672)	338,110
(Decrease)/increase in creditors	98,015	(487,996)
	<u>2,583,304</u>	<u>2,395,737</u>

**17 DEFERRED INCOME**

	<b>2016</b>	<b>Restated 2015</b>
	<b>£</b>	<b>£</b>
<i>Social Housing Grants</i>		
Balance as at 1 April 2015	4,278,242	2,246,121
Additions in Year	3,014,916	2,252,847
Released / Repaid as a result of property disposal	-	(54,922)
Amortisation in Year	(68,996)	(165,804)
	<u>7,224,162</u>	<u>4,278,242</u>

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**18 SHARE CAPITAL**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Shares of £1 each issued and fully paid		
At 1 April 2015	177	212
Issued in year	19	9
Cancelled in year	<u>(19)</u>	<u>(44)</u>
At 31 March 2016	<u>177</u>	<u>177</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends or distributions on a winding up. Each member has a right to vote at members' meetings. Under the Association's rules, share capital is non refundable

**19 RESERVES**

	<b>2016</b>	<b>Restated 2015</b>
	<b>£</b>	<b>£</b>
<b>Revenue Reserves</b>		
At 1 April 2015	36,084,560	35,231,818
Surplus for year	1,240,558	852,742
At 31 March 2016	<u>37,325,118</u>	<u>36,084,560</u>

**20 RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Increase in cash in year	2,433,478	9,435
Cash inflow from financing	(5,600,000)	(1,700,000)
Loans repaid	<u>354,817</u>	<u>1,306,988</u>
Change in net debt	(2,811,705)	(383,577)
Net Debt at 1 April 2015	<u>(11,315,920)</u>	<u>(10,932,343)</u>
Net Debt at 31 March 2016	<u>(14,127,625)</u>	<u>(11,315,920)</u>

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**21 ANALYSIS OF CHANGES IN NET DEBT**

	As at 1 April 2015	Cash Flows	Other Changes	As at 31 March 2016
	£	£	£	£
Cash at bank and in hand	720,824	2,433,478	-	3,154,302
Debt due within 1 year	(354,823)	354,817	(222,717)	(222,723)
Debt due after 1 year	(11,681,921)	(5,600,000)	222,717	(17,059,204)
	<u>(11,315,920)</u>	<u>(2,811,705)</u>	<u>-</u>	<u>(14,127,625)</u>

**22 HOUSING STOCK**

	2016 Number	2015 Number
The number of units of accommodation owned and managed by the Association at the year end was:		
General Needs Housing	1,746	1,743
Shared Ownership	<u>21</u>	<u>23</u>
	<u>1,767</u>	<u>1,766</u>
The number of units owned by the Association and managed on behalf of the Association by Partick Works Limited was		
Mid Market Rents	<u>22</u>	<u>22</u>

**23 CAPITAL COMMITMENTS**

	2016 £	2015 £
Expenditure contracted less certified	<u>2,431,087</u>	<u>5,460,187</u>
The proposed financing of capital commitments was:		
	2016 £	2015 £
HAG funded	-	1,087,922
Private finance	<u>2,431,087</u>	<u>4,372,265</u>
	<u>2,431,087</u>	<u>5,460,187</u>

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**24 PENSION OBLIGATIONS**

Partick Housing Association Limited participates in the Scottish Housing Associations' Pension Scheme ('the Scheme'). The Association offered a defined benefit option or alternatively a defined contribution option to employees. The company offered employees 3 schemes, the Scottish Housing Association's Pension Scheme is the main scheme, some employees have also participated in the smaller Growth Plan and the Association also offers a defined contribution money purchase scheme through the Pension's Trust. The Association has no liability for the performance of the defined contribution scheme which is a money purchase scheme.

**FRS 102 Section 28 Accounting Disclosures – Main Scheme**

The company participates in the scheme, a multi-employer scheme which provides benefits to some 155 non-associated employers. The scheme is a defined benefit scheme in the UK, however, this fund was closed to future accrual at 31 March 2016 and all staff transferred to the Defined Contribution scheme.

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 2012. This actuarial valuation showed assets of £394m, liabilities of £698m and a deficit of £304m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme as follows:

**Deficit contributions**

From 1 April 2014 to 30 September  
2027:

£26,304,000 per annum  
(payable monthly and increasing by 3% each on 1st  
April)

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

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 MARCH 2016**

**24 PENSION OBLIGATIONS** (Continued)

Where the scheme is in deficit and where the company 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 2016 (£000s)	31 March 2015 (£000s)	31 March 2014 (£000s)
Present value of provision	4,533	4,821	4,691

**RECONCILIATION OF OPENING AND CLOSING PROVISIONS**

	<b>Period Ending</b> 31 March 2016 (£000s)	<b>Period Ending</b> 31 March 2015 (£000s)
Provision at start of period	4,821	4,691
Unwinding of the discount factor (interest expense)	103	154
Deficit contribution paid	(373)	(362)
Remeasurements - impact of any change in assumptions	(18)	338
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	4,533	4,821



**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**24 PENSION OBLIGATIONS (Continued)**

**IMPACT ON STATEMENT OF COMPREHENSIVE INCOME**

	<b>Period Ending 31 March 2016 (£000s)</b>	<b>Period Ending 31 March 2015 (£000s)</b>
Interest expense	103	154
Remeasurements – impact of any change in assumptions	(18)	338
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	-	-
Costs/(Income) recognised in Statement of Comprehensive Income	373	362

\* includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

**ASSUMPTIONS**

	<b>31 March 2016 % per annum</b>	<b>31 March 2015 % per annum</b>	<b>31 March 2014 % per annum</b>
Rate of discount	2.29	2.22	3.42

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

**THE GROWTH PLAN (FORMER EMPLOYEES ONLY)**

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating 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.

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**24 PENSION OBLIGATIONS (Continued)**

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2013 to 31 March 2023:	£13.9m per annum (payable monthly and increasing by 3% each on 1st April)
-------------------------------------	--

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company 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 2016 (£s)	31 March 2015 (£s)	31 March 2014 (£s)
Present value of provision	10,700	9,424	9,786

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**24 PENSION OBLIGATIONS (Continued)**

**RECONCILIATION OF OPENING AND CLOSING PROVISIONS**

	Period Ending 31 March 2016 (£s)	Period Ending 31 March 2015 (£s)
Provision at start of period	9,424	9,876
Unwinding of the discount factor (interest expense)	154	263
Deficit contribution paid	(1,137)	(1,104)
Remeasurements - impact of any change in assumptions	(167)	389
Remeasurements - amendments to the contribution schedule	2,426	-
Provision at end of period	10,700	9,424

**IMPACT ON STATEMENT OF COMPREHENSIVE INCOME**

	Period Ending 31 March 2016 (£s)	Period Ending 31 March 2015 (£s)
Interest expense	154	263
Remeasurements – impact of any change in assumptions	(167)	389
Remeasurements – amendments to the contribution schedule	2,426	-
Contributions paid in respect of future service*	-	-
Costs recognised in Statement of Comprehensive Income	1,137	1,104

\* includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

**ASSUMPTIONS**

	31 March 2016 % per annum	31 March 2015 % per annum	31 March 2014 % per annum
Rate of discount	2.07	1.74	2.82

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**25 RELATED PARTY TRANSACTIONS**

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

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 contractual terms.

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

	£
Rent received from Tenants on the Board	14,430
Factoring Charges received from owners on the Board	1,087
At the year end total rent arrears owed by the tenant members of the Board	Nil
At the year end total factoring arrears owed by owner members of the Board	Nil

During the year Partick Works Limited paid funds to the Association. The following related party transactions took place during the year:

Name	Relationship	Transaction	Amount	Balance (to/from) At 31 March 2016
			£	£
Partick Works Limited	subsidiary	Funds received	(189,112)	
		Interest charged	38,477	
		Gift Aid Payment	67,937	1,875,073

The comparatives for the previous year are:

Name	Relationship	Transaction	Amount	Balance (to/from) At 31 March 2015
			£	£
Partick Works Limited	subsidiary	Funds given	213,123	
		Interest charged	26,655	
		Gift Aid Payment	142,756	1,957,771

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**26 TRANSITION TO THE FINANCIAL REPORTING STANDARD**

In accordance with the Statement of Recommended Practice the Association has adopted the Financial Reporting Standard for the UK & Ireland (FRS 102) for the accounting period beginning on 1 April 2015. As a result of this the comparative figures 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 income and expenditure and assets and liabilities 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.

**Restatement of 2014-15**

Restatement of 2014-15		Reconciliation of Retained Surpluses for the Year		
		As previously Stated	Effect of Transition	FRS 102 (As Restated)
	Note	31 March 2015	31 March 2015	31 March 2015
		£	£	£
Turnover	(i)	7,272,553	114,990	7,387,543
Operating Costs	(i) & (ii)	<u>(5,754,882)</u>	<u>(253,302)</u>	<u>(6,008,184)</u>
Operating Profit		1,517,671	(138,312)	1,379,359
Loss on sale of housing accommodation		(86,352)	37,613	(48,739)
Interest receivable and similar income		31,718	-	31,718
Interest payable and similar income		(355,333)	-	(355,333)
Other Finance Charges	(iii)	-	(154,263)	(154,263)
Surplus		<u>1,107,704</u>	<u>(254,962)</u>	<u>852,742</u>

**Restatement of 2014-15**

Restatement of 2014-15		Reconciliation of Capital & Reserves		
	Note	As previously stated 31 March 2015	Effect of Transition 31 March 2015	FRS 102 (As Restated) 31 March 2015
		£	£	£
Non-Current Assets	(i)	113,328,708	(56,770,390)	56,558,318
Current Assets		3,080,897	-	3,080,897
Creditors: amounts falling due within one year	(ii)	(2,763,892)	(373,000)	(3,136,892)
<b>Total Assets</b>		<u>113,645,713</u>	<u>(57,143,390)</u>	<u>56,502,323</u>
Creditors: amounts falling due after more than one year	(ii)	(11,681,921)	(4,457,424)	(16,139,345)
Deferred Income (Social Housing Grants)	(i)	(85,450,072)	81,171,831	(4,278,241)
<b>Net Assets</b>		<u>16,513,720</u>	<u>19,571,017</u>	<u>36,084,737</u>
<b>Capital &amp; Reserves</b>		<u>16,513,720</u>	<u>19,571,017</u>	<u>36,084,737</u>

**PARTICK HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**26 TRANSITION TO THE FINANCIAL REPORTING STANDARD (Continued)**

Restatement of 2013-14	Reconciliation of Capital & Reserves		
	31 March 2014	Effect of Transition 31 March 2014	FRS 102 (As Restated) 31 March 2014
	£	£	£
Non-Current Assets	109,719,984	(56,658,765)	53,061,219
Current Assets	2,719,025	-	2,719,025
Creditors: amounts falling due within one year	(2,852,503)	(103,492)	(2,955,995)
<b>Total Assets</b>	<u>109,586,506</u>	<u>(56,762,257)</u>	<u>52,824,249</u>
Creditors: amounts falling due after more than one year	(11,086,750)	(4,259,383)	(15,346,133)
Deferred Income (Social Housing Grants)	(83,093,705)	80,847,584	(2,246,121)
<b>Net Assets</b>	<u>15,406,051</u>	<u>19,825,944</u>	<u>35,231,995</u>
<b>Capital &amp; Reserves</b>	<u>15,406,051</u>	<u>19,825,944</u>	<u>35,231,995</u>

*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. In addition the depreciation charge has been adjusted to reflect the higher charge.

(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 FRS 102. The liability was not previously recognised and payments made under this agreement were written off as operating costs.

(iii) The liability recognised as a result of (ii) above has been discounted to its present value. The unwinding of the discount is recognised as a finance cost in accordance with FRS 102 para 28. 13A.