

Pineview Housing Association Limited

Report and Financial Statements

For the year ended 31st March 2014

Registered Housing Association No.HAC231

FCA Reference No. 2375R(S)

Scottish Charity No. SC038237

PINEVIEW HOUSING ASSOCIATION LIMITED

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PINEVIEW HOUSING ASSOCIATION LIMITED

**MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS
YEAR ENDED 31st MARCH 2014**

MANAGEMENT COMMITTEE

Jean Black	Chairperson
Josephine McGinty	Secretary
Myra Frater	Treasurer
Patricia Sinclair	Vice Chair
Winifred McPhail	
Amanda Smith	(Resigned 18 February 2014)
Robert Archer	
Lorraine Bedingfield	(Resigned 12 November 2013)
Rose West	Co-optee
Gail Boyle	Co-optee
John Ferguson	(Deceased - 16 May 2014)
Janette Murphy	Co-optee (Resigned 8 April 2014)
Anna Welsh	

EXECUTIVE OFFICERS

Joyce Orr	Director
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REGISTERED OFFICE

5 Rozelle Avenue
Drumchapel
Glasgow
G15 7QR

AUDITORS

Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow
G2 7HF

BANKERS

Bank of Scotland
19 Roman Road
Bearsden
G61 2SP

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

PINEVIEW HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2014

The Management Committee presents its report and the Financial Statements for the year ended 31st March 2014.

Legal Status

The Association is a registered non-profit making organisation under the Industrial and Provident Societies Act 1965 No.2375R(S). The Association is constituted under its Rule Book. The Association is a registered Scottish Charity with the charity number SC038237.

Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation.

Review of Business and Future Developments

Pineview Housing Association is a local Community Based Housing Association in the Drumchapel area of Glasgow. The Association owns 537 properties, part owns 24 shared ownership properties and factors for a further 24 properties. The Association has no current development plans.

The Association's priorities are to provide good services to all our customers and ensure good performance in all our activities. We undertook a tenant satisfaction survey during 2013 to let us gauge customers opinions and we will be reviewing the outcomes from this and the services we provide during 2014/15.

Welfare Reforms continue to affect our business activities and we continue to work with customers to try and minimise the impact of these Government imposed changes.

The Association is committed to maintaining our properties and areas to a high standard and are implementing cyclical maintenance and planned renewal programmes for this purpose. 2014/15 will see painting cyclical works undertaken alongside kitchen and window renewal contracts. The Association will also continue with our successful estate caretaker service.

The Association will further develop the work of our residents forum group to ensure we are working closely with customers and can be scrutinised.

REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31ST MARCH 2014

Management Committee and Executive Officers

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

Each member of the Management Committee 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 Management Committee.

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

Statement of Management Committee's Responsibilities

The Industrial and Provident Societies Acts 1965 to 2002 require the Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those Financial Statements, the Management Committee is required to:-

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

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to ensure that the Financial Statements comply with the Industrial and Provident Societies Act 1965 to 2002, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2012. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

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

In so far as the Management Committee are aware:

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

REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31ST MARCH 2014

Statement on Internal Financial Control

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

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

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

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- regular 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;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- the Management Committee receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

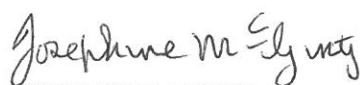
Donations

During the year the Association made charitable donations amounting to £1,675 (2013 £2,400).

Auditors

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

By order of the Management Committee



JOSEPHINE MCGINTY

Secretary

22 July 2014

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

In addition to our audit of the Financial Statements, we have reviewed your statement on Page 4 concerning the Association's compliance with the information required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing".

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 4 has provided the disclosures required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing" 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 section on Internal Financial Control within SFHA's "Raising Standards in Housing".



ALEXANDER SLOAN
Chartered Accountants

GLASGOW
22 July 2014

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

We have audited the financial statements of Pineview Housing Association Limited for the year ended 31st March 2014 which comprise an income and expenditure account, balance sheet, cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members, as a body, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Management Committee and Auditors

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

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

Scope of the audit on the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Management Committee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Management Committee's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. 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 2014 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 Industrial and Provident Societies Acts 1965 to 2002, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2012.

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PINEVIEW HOUSING ASSOCIATION LIMITED**

Matters on which we are required to report by exception (contd.)

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

We have nothing to report in respect of these matters.



ALEXANDER SLOAN
Chartered Accountants
Statutory Auditors
GLASGOW
22 July 2014

PINEVIEW HOUSING ASSOCIATION LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2014

	Notes	2014 £	2013 £
TURNOVER	2.	2,212,278	2,176,211
Operating Costs	2.	<u>(1,384,609)</u>	<u>(1,395,056)</u>
OPERATING SURPLUS	9.	827,669	781,155
Gain On Sale Of Housing Stock	7.	189	2,257
Release of Negative Goodwill	22.	-	26,693
Interest Receivable and Other Income		41,667	60,861
Interest Payable and Similar Charges	8.	<u>(124,901)</u>	<u>(124,887)</u>
		<u>(83,045)</u>	<u>(35,076)</u>
SURPLUS FOR YEAR		<u>744,624</u>	<u>746,079</u>

All amounts relate to continuing activities. All recognised surpluses and deficits have been included in the Income & Expenditure Account. Historical cost surpluses and deficits are identical to those shown in the accounts.

PINEVIEW HOUSING ASSOCIATION LIMITED

BALANCE SHEET AS AT 31st MARCH 2014

	Notes	£	2014 £	£	2013 £
TANGIBLE FIXED ASSETS					
Housing Properties - Depreciated Cost	11.(a)		36,654,600		36,939,007
Less: Social Housing Grant	11.(a)		(29,707,480)		(29,772,747)
: Other Public Grants	11.(a)		(513,417)		(513,417)
			<u>6,433,703</u>		<u>6,652,843</u>
Other fixed assets	11.(b)		98,318		87,839
			<u>6,532,021</u>		<u>6,740,682</u>
CURRENT ASSETS					
Debtors	14.	142,377		131,481	
Investments	23.	2,950,000		2,450,000	
Cash at bank and in hand		471,821		303,656	
			<u>3,564,198</u>	<u>2,885,137</u>	
CREDITORS: Amounts falling due within one year					
	15.	(544,154)		(550,782)	
			<u>3,020,044</u>	<u>2,334,355</u>	
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,552,065</u>	<u>9,075,037</u>	
CREDITORS: Amounts falling due after more than one year					
	16.	(4,881,375)		(5,148,997)	
NET ASSETS			<u>4,670,690</u>	<u>3,926,040</u>	
CAPITAL AND RESERVES					
Share Capital	18.		371		345
Designated Reserves	19.(a)		3,088,873		3,088,873
Revenue Reserves	19.(b)		1,581,446		836,822
			<u>4,670,690</u>		<u>3,926,040</u>

The Financial Statements were approved by the Management Committee and signed on their behalf on 22 July 2014.

Jean Black
Chairperson

Patricia Sinclair
Vice-Chairperson

Josephine McElroy
Secretary

PINEVIEW HOUSING ASSOCIATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED

31st MARCH 2014

	Notes	2014	2013
		£	£
Net Cash Inflow from Operating Activities	17.	1,022,243	975,208
Returns on Investment and Servicing of Finance			
Interest Received		63,647	23,247
Interest Paid		(125,743)	(119,345)
Net Cash Outflow from Investment and Servicing of Finance		(62,096)	(96,098)
Capital Expenditure and Financial Investment			
Acquisition and Construction of Properties		(8,772)	(10,611)
Purchase of Other Fixed Assets		(29,187)	(33,219)
Social Housing Grant Repaid		(31,886)	(27,437)
Proceeds on Disposal of Properties		44,432	32,388
Net Cash Outflow from Capital Expenditure and Financial Investment		(25,413)	(38,879)
Net Cash Inflow before use of Liquid Resources and Financing		934,734	840,231
Management of Liquid Resources			
Change in short term deposits with banks		(500,000)	(2,450,000)
Financing			
Loan Principal Repayments		(266,606)	(274,279)
Share Capital Issued		37	43
Net Cash Outflow from Financing		(266,569)	(274,236)
Increase / (decrease) in Cash	17.	168,165	(1,884,005)

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Basis Of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords 2010, and on the historical cost basis. They also comply with the Determination of Accounting Requirements 2012. A summary of the more important accounting policies is set out below.

Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable.

Retirement Benefits

The Association participates in the Scottish Housing Association Defined Benefit 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.

Valuation Of Housing Properties

Housing Properties are stated at cost, less social housing and other public grants and 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 11. 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>
Kitchens	15 years
Bathrooms	30 years
Boilers	15 years
Radiators	30 years
Windows	35 years
External Doors	20 years
Internal Doors	30 years
Rewiring	30 years
Structure	50 years

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Depreciation And Impairment Of Other Fixed Assets

Other Fixed 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% Straight Line
Furniture and Fittings	25% Reducing Balance
Computer Equipment	25% Straight Line
Office Equipment	25% Reducing Balance
Motor Vehicles	20% Straight Line

The carrying value of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Social Housing Grant And Other Grants In Advance/Arrears

Where developments have been financed wholly or partly by Social Housing Grant or other capital grant, the cost of those developments has been reduced by the amount of the grant receivable. The amount of the grants receivable is shown separately on the Balance Sheet.

Social Housing Grant attributed to individual components is written off to the Income and Expenditure Account when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account in the same 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 fixed asset disposals with the gain or loss on disposal shown in the Income and Expenditure Account.

Disposals of housing property under the Right to Buy scheme are treated as a fixed asset disposal and any gain and loss on disposal accounted for in the Income and Expenditure Account.

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

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Leases/Leased Assets

Costs in respect of operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet 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.

Designated Reserves

The Association has designated part of its reserves to meet its long term obligations.

The Cyclical Maintenance Reserve has been designated to meet future repair and maintenance obligations which are cyclical in nature. These are carried out in accordance with a planned programme of works.

Property Development Cost

The proportion of the development cost of shared ownership properties expected to be disposed of as a first tranche sale is held in current assets until it is disposed of. The remaining part of the development cost is treated as a fixed asset. Surpluses made on the disposal of first tranche sales are taken to the Income and Expenditure Account in accordance with the Statement of Recommended Practice.

Property developments that are intended for resale are included in current assets until disposal.

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	Notes	2014			2013		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Social Lettings	3.	2,120,519	1,282,148	838,371	2,068,918	1,308,721	760,197
Other Activities	4.	91,759	102,461	(10,702)	107,293	86,335	20,958
Total		2,212,278	1,384,609	827,669	2,176,211	1,395,056	781,155

3. PARTICULARS OF INCOME & EXPENDITURE FROM SOCIAL LETTINGS

	General			2014 Total £	2013 Total £
	Needs Housing £	Supported Housing £	Shared ownership £		
Income from Lettings					
Rent Receivable Net of Identifiable Service Charges	1,905,885	21,725	38,391	1,966,001	1,900,658
Service Charges Receivable	111,551	17,014	8,349	136,914	139,009
Gross Rents Receivable	2,017,436	38,739	46,740	2,102,915	2,039,667
Less: Rent losses from voids	916	-	-	916	677
Net Rents Receivable	2,016,520	38,739	46,740	2,101,999	2,038,990
Revenue Grants from Scottish Ministers	18,520	-	-	18,520	29,928
Total Income From Social Letting	2,035,040	38,739	46,740	2,120,519	2,068,918
Expenditure on Social Letting Activities					
Service Costs	110,857	17,014	13,910	141,781	142,689
Management and maintenance administration costs	632,904	12,152	14,663	659,719	667,429
Reactive Maintenance	108,570	-	-	108,570	94,961
Bad Debts - Rents and Service Charges	6,254	-	-	6,254	4,258
Planned and Cyclical Maintenance, including Major Repairs	150,269	-	-	150,269	183,609
Depreciation of Social Housing	210,765	-	4,790	215,555	215,775
Operating Costs of Social Letting	1,219,619	29,166	33,363	1,282,148	1,308,721
Operating Surplus on Social Letting Activities	815,421	9,573	13,377	838,371	760,197
2013	744,555	7,816	7,826		

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Grants From Scottish Ministers	Other Revenue Grants	Supporting People Income	Other Income	Total Turnover	Operating Costs Bad Debts	Operating Costs Other	Operating Surplus / (Deficit) 2014	Operating Surplus / (Deficit) 2013
	£	£	£	£	£	£	£	£	£
Wider Role Activities	-	30,758	-	-	30,758	-	62,532	(31,774)	(12,200)
Factoring	-	-	-	2,230	2,230	-	-	2,230	2,066
Support Activities	-	-	39,922	-	39,922	-	37,985	1,937	(6,218)
Other Income/Expenditure Welfare Rights	-	-	-	8,256	8,256	-	1,944	6,312	27,085
Services - Other Owners	-	-	-	10,593	10,593	-	-	10,593	10,225
Total From Other Activities	-	30,758	39,922	21,079	91,759	-	102,461	(10,702)	20,958
2013	-	27,995	39,922	39,376	107,293	-	86,335	20,958	

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

The Officers are defined in s74 of the Industrial and Provident Societies Act 1965 as the members of the Management Committee, managers or servants of the Association.

	2014	2013
	£	£
Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)	<u>61,038</u>	<u>61,281</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>5,183</u>	<u>5,377</u>
Emoluments payable to Chief Executive (excluding pension contributions)	<u>61,038</u>	<u>61,281</u>

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
£60,001 to £70,000	1	1

6. EMPLOYEE INFORMATION

	2014	2013
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	<u>14</u>	<u>15</u>
The average total number of Employees employed during the year was	<u>15</u>	<u>14</u>
Staff Costs were:	£	£
Wages and Salaries	446,898	417,723
Social Security Costs	39,652	38,650
Other Pension Costs	51,124	47,642
	<u>537,674</u>	<u>504,015</u>

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. GAIN ON SALE OF HOUSING STOCK

	2014	2013
	£	£
Sales Proceeds	44,432	32,388
Cost of Sales	44,243	30,131
Gain On Sale Of Housing Stock	<u>189</u>	<u>2,257</u>

8. INTEREST PAYABLE

	2014	2013
	£	£
On Bank Loans & Overdrafts	<u>124,901</u>	<u>124,887</u>

9. SURPLUS FOR YEAR

	2014	2013
	£	£
Surplus on Ordinary Activities before Taxation is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	233,906	234,890
Auditors' Remuneration - Audit Services	7,644	8,552
Operating Lease Rentals - Other	3,621	3,705
Loss on sale of fixed assets	<u>357</u>	<u>-</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.

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. TANGIBLE FIXED ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Completed Shared Ownership Properties £	Total £
COST			
As at 1st April 2013	38,078,942	1,289,923	39,368,865
Additions	8,772	-	8,772
Disposals	(82,259)	-	(82,259)
As at 31st March 2014	<u>38,005,455</u>	<u>1,289,923</u>	<u>39,295,378</u>
DEPRECIATION			
As at 1st April 2013	2,366,834	63,024	2,429,858
Charge for Year	210,765	4,790	215,555
Disposals	(4,635)	-	(4,635)
As at 31st March 2014	<u>2,572,964</u>	<u>67,814</u>	<u>2,640,778</u>
SOCIAL HOUSING GRANT			
As at 1st April 2013	28,731,611	1,041,136	29,772,747
Disposals	(65,267)	-	(65,267)
As at 31st March 2014	<u>28,666,344</u>	<u>1,041,136</u>	<u>29,707,480</u>
OTHER CAPITAL GRANTS			
As at 1st April 2013	513,417	-	513,417
As at 31st March 2014	<u>513,417</u>	<u>-</u>	<u>513,417</u>
NET BOOK VALUE			
As at 31st March 2014	<u>6,252,730</u>	<u>180,973</u>	<u>6,433,703</u>
As at 31st March 2013	<u>6,467,080</u>	<u>185,763</u>	<u>6,652,843</u>

Additions to housing properties includes capitalised development administration costs of £nil (2013 - £nil) and capitalised major repair costs to existing properties of £8,772 (2013 £10,611)

All land and housing properties are freehold.

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. TANGIBLE FIXED ASSETS (Continued)

b) Other Tangible Assets

	Motor Vehicles £	Office Premises £	Office Furniture & Equipment £	Total £
COST				
As at 1st April 2013	30,546	150,000	119,765	300,311
Additions	-	13,329	15,858	29,187
Eliminated on Disposals	-	-	(28,789)	(28,789)
As at 31st March 2014	<u>30,546</u>	<u>163,329</u>	<u>106,834</u>	<u>300,709</u>
AGGREGATE DEPRECIATION				
As at 1st April 2013	6,109	103,750	102,613	212,472
Charge for year	6,109	1,250	10,992	18,351
Eliminated on disposal	-	-	(28,432)	(28,432)
As at 31st March 2014	<u>12,218</u>	<u>105,000</u>	<u>85,173</u>	<u>202,391</u>
NET BOOK VALUE				
As at 31st March 2014	<u>18,328</u>	<u>58,329</u>	<u>21,661</u>	<u>98,318</u>
As at 31st March 2013	<u>24,437</u>	<u>46,250</u>	<u>17,152</u>	<u>87,839</u>

13. COMMITMENTS UNDER OPERATING LEASES

At the year end, the annual commitments under operating leases were as follows:-	2014 £	2013 £
Other		
Expiring within one year	1,286	-
Expiring between two and five years	<u>6,279</u>	<u>3,705</u>

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. DEBTORS

	2014	2013
	£	£
Arrears of Rent & Service Charges	66,589	62,019
Less: Provision for Doubtful Debts	(42,975)	(42,841)
	<u>23,614</u>	<u>19,178</u>
Other Debtors	118,763	112,303
	<u>142,377</u>	<u>131,481</u>

15. CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Housing Loans	272,482	271,466
Trade Creditors	20,112	27,483
Rent in Advance	99,882	81,463
Other Taxation and Social Security	-	11,204
Other Creditors	33,951	52,383
Accruals and Deferred Income	117,727	106,783
	<u>544,154</u>	<u>550,782</u>

At the balance sheet date there were pension contributions outstanding of £3,935 (2013 £11,245)

16. CREDITORS: Amounts falling due after more than one year

	2014	2013
	£	£
Housing Loans	4,881,375	5,148,997
Housing Loans are secured by specific charges on the Association's housing properties and are repayable at varying rates of interest in instalments, due as follows:-		
Within one year	272,482	271,466
Between one and two years	279,330	278,504
Between two and five years	872,633	878,817
In five years or more	3,729,412	3,991,676
	<u>5,153,857</u>	<u>5,420,463</u>
Less: Amount shown in Current Liabilities	272,482	271,466
	<u>4,881,375</u>	<u>5,148,997</u>

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. CASH FLOW STATEMENT

<i>Reconciliation of operating surplus to net cash inflow from operating activities</i>	2014 £	2013 £
Operating Surplus	827,669	781,155
Depreciation	233,906	234,957
Change in Debtors	(32,876)	29,705
Change in Creditors	(6,802)	(70,592)
Loss on sale of fixed assets	357	-
Share Capital Written Off	(11)	(17)
Net Cash Inflow from Operating Activities	<u>1,022,243</u>	<u>975,208</u>

<i>Reconciliation of net cash flow to movement in net debt</i>	2014 £	£	2013 £	£
Increase / (decrease) in Cash	168,165		(1,884,005)	
Cash flow from management of liquid resources	500,000		2,450,000	
Cash flow from change in debt	266,606		274,279	
Movement in net debt during year		934,771		840,274
Net debt at 1st April 2013		(2,666,807)		(3,507,082)
Net debt at 31st March 2014		<u>(1,732,036)</u>		<u>(2,666,808)</u>

<i>Analysis of changes in net debt</i>	At 01.04.13 £	Cash Flows £	Other Changes £	At 31.03.14 £
Cash at bank and in hand	303,656	168,165		471,821
Liquid Resources	303,656	168,165		471,821
Debt: Due within one year	2,450,000	(500,000)		2,950,000
Due after more than one year	(271,466)	266,606	(267,622)	(272,482)
	(5,148,997)	-	267,622	(4,881,375)
Net Debt	<u>(2,666,807)</u>	<u>(65,229)</u>	<u>-</u>	<u>(1,732,036)</u>

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2013	345
Issued in year	37
Cancelled in year	(11)
At 31st March 2014	<u>371</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.

19. RESERVES

(a) Designated Reserves	Cyclical Maintenance	Total
	£	£
At 1st April 2013	3,088,873	3,088,873
Transfer to / (from) Revenue Reserves	-	-
At 31st March 2014	<u>3,088,873</u>	<u>3,088,873</u>
 (b) Revenue Reserves		Total
		£
At 1st April 2013		836,822
Surplus for the year		744,624
Transfer (to) / from Designated Reserves		-
At 31st March 2014		<u>1,581,446</u>

20. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2014	2013
	No.	No.
General Needs - New Build	440	441
- Rehabilitation	96	96
Shared Ownership	24	24
Supported Housing	1	1
	<u>561</u>	<u>562</u>

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. RELATED PARTY TRANSACTIONS

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 8.

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

8 members are tenants of the Association

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.

22. NEGATIVE GOODWILL

	2014	2013
	£	£
Balance as at 1st April 2013	-	26,693
Release during the year	-	(26,693)
As at 31st March 2014	-	-

23. CURRENT ASSET INVESTMENTS

	2014	2013
	£	£
Short Term Deposits	2,950,000	2,450,000

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. RETIREMENT BENEFIT OBLIGATIONS

General

Pineview 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 Scheme offers six benefit structures to employers, namely:

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

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

Pineview Housing Association Limited has elected to operate the Final salary with a 1/60th accrual rate from 31 March 2014 for existing members and the Career average revalued earnings with a 1/120th accrual rate, contracted in for new entrants from 01 April 2014.

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

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market values. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period Pineview Housing Association Limited paid contributions at the rate of 9.6% of pensionable salaries. Member contributions were also 9.6%

As at the balance sheet date there were 4 active members of the Scheme employed by Pineview Housing Association Limited. The annual pensionable payroll in respect of these members was £188,884. Pineview Housing Association Limited continues to offer membership of the Scheme to its employees.

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 FRS17 represents the employer contribution payable.

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. RETIREMENT BENEFIT OBLIGATIONS (Continued)

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

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

Financial Assumptions

The key financial assumptions underlying the valuation as at 30th September 2012 were as follows:

	% p.a.
- Investment return pre-retirement	5.3
- Investment return post-retirement - non pensioners	3.4
- Investment return post-retirement - pensioners	3.4
- Rate of Salary increases	4.1
- Rate of price inflation:	
RPI	2.6
CPI	2.0

The valuation was carried out using the SAPS (S1PA) All pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement for non-pensioners and pensioners.

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. RETIREMENT BENEFIT OBLIGATIONS (Continued)

Valuation Results

The long-term joint contribution rates required from employers and members to meet the cost of future benefit accrual were assessed as:

<i>Benefit Structure</i>	<i>Long-term joint contribution rate (% of pensionable salaries)</i>
Final salary - 60ths	24.6
Career average 60ths	22.4
Career average 70ths	19.2
Career average 80ths	16.9
Career average 120ths	11.4

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Trustees have recently supplied Pineview Housing Association Limited with an updated contribution figure to the past service deficit. From 1 April 2014 Pineview Housing Association Limited will be required to pay £60,289.87 per annum as a contribution to the past service deficit. This will represent an increase of 83% in Pineview Housing Association Limited's contribution to the past service deficit. The deficit contribution will increase each April by 3%.

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

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

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