

Rural Stirling Housing Association Limited

Report and Financial Statements

For the year ended 31st March 2016

Registered Housing Association No. HAL232

FCA Reference No. 2376 (S)

Scottish Charity No. SCO37849

RURAL STIRLING HOUSING ASSOCIATION LIMITED

CONTENTS

	Page
MEMBERS OF THE MANAGEMENT COMMITTEE EXECUTIVES AND ADVISERS	1
REPORT OF THE MANAGEMENT COMMITTEE	2
REPORT BY THE AUDITORS ON CORPORATE GOVERNANCE MATTERS	7
REPORT OF THE AUDITORS	8
STATEMENT OF COMPREHENSIVE INCOME	10
STATEMENT OF FINANCIAL POSITION	11
STATEMENT OF CASHFLOWS	12
STATEMENT OF CHANGES IN EQUITY	13
NOTES TO THE FINANCIAL STATEMENTS	14

RURAL STIRLING HOUSING ASSOCIATION LIMITED

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

MANAGEMENT COMMITTEE

Margaret Vass	Chair
Owen McKee	Vice Chair (resigned from committee on 07/10/2015)
Colin O'Brien	Vice Chair (appointed vice chair on 07/10/15)
Margaret Beaton	Secretary (resigned as secretary on 01/06/16)
Fiona Boath	Secretary (appointed as secretary 01/06/16)
Rosemary Williams	(resigned 22/09/15)
Linda Anderson	
Rob Hughes	
Councillor Martin Earl	
Fiona Russell	
Theresa Elliot	
David Frod	
Allistair Miller	(appointed 22/09/15)
Susan Macmillan	(appointed 22/09/15)

EXECUTIVE OFFICERS

Tony Teasdale	Director
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REGISTERED OFFICE

Stirling Road
Doune
Perthshire
FK16 6AA

AUDITORS

Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow
G2 7HF

BANKERS

Royal Bank of Scotland
55 Main Street
Callander
FK17 8DY

SOLICITORS

Hill & Robb
3 Pitt Terrace
Stirling
FK8 2EY

RURAL STIRLING HOUSING ASSOCIATION LIMITED

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

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

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.2376 (S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SCO37849.

Principal Activities

The Association is a Registered Scottish Charity and we provide relief of those in need by reason of age, ill health (whether related to mental or physical health), disability (whether due to mental or physical health issues or learning disabilities), financial hardship or other disadvantage, both to individual persons or to a group of persons with similar needs and issues by;

1. providing, constructing, improving and managing land, accommodation and associated facilities and providing care;
2. providing or arranging home maintenance, repair and improvement services and providing facilities and services for the benefit of such people either exclusively for them or together with other persons;
3. undertaking any activities which are charitable, allowed under section 58 of the Housing (Scotland) Act 2001, including any statutory amendment or re enactment of the provisions of this section from time to time being in force and;
4. carrying on any other charitable activities permitted to registered social landlords from time to time.

Review of Business and Future Developments

Objectives and Strategy

RSHA's vision is to make a positive contribution to Stirling's rural communities and to be valued - by our service users, key partners, local communities and staff - for our role in meeting housing needs, delivering value for money services and helping the development of sustainable and socially inclusive communities.

Our mission is:• To provide affordable homes and associated services that reflect the needs and priorities of our customers.

- To build to the highest standards in an innovative, sympathetic and sustainable manner
- To seek and take account of the views of our customers and the rural communities where we work, and to work in partnership with them and other agencies to achieve our objectives
- To manage the affairs of the Association prudently and to protect our assets over the long-term.
- To promote equal opportunities in all our activities.

Housing stock

At 31st March 2016 the Association owned 575 properties - 551 homes for rent and 24 for shared ownership.

These are located within 16 settlements throughout the rural Stirling area. Nearly all of the properties have been built by the Association during the past 20 years with a small number acquired/refurbished.

The average net weekly rent for an RSHA property during 2015/16 was £75.12 (including common landscaping and other service charges).

RURAL STIRLING HOUSING ASSOCIATION LIMITED

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

Review of Business and Future Developments (Contd.)

Office and staffing

The Association's staff team at the end of the year comprised 11.9 full time equivalent posts. FMD Finance Ltd (Glasgow) continued to be employed as Finance Agent for part of the year but the finance function was taken fully in-house by the year end with the creation and successful recruitment to a new Finance and Corporate Services Manager post.

The staff operate from the Association's office at Stirling Road, Doune.

Performance

The Association has reported a surplus for the year of £493,165 (2014/15 £299,985). In addition net assets have increased by £493,158 to £3,837,183. The Management Committee is satisfied with these results.

Rent losses from voids and bad debts remained low at 0.5% of gross rental and service charge income.

46 properties were let during the year and it took 12.44 days on average to re-let properties - close to the performance of the previous year and well-below the sector average.

Demand for housing remains strong with 287 new applications for housing received during the year and 496 live applications for housing on our list at 31/3/16.

Development

During the year 8 new build homes for social rent were completed at our Dunmore Street, Balfron development. This was not a 'Scottish Government Grant funded scheme' as the subsidy in effect came in the form of developer contribution through the planning agreement. The balance of the funding came from private borrowing by the Association. A contribution was also received from Stirling Council's Strategic Housing Account which helped pay for the amalgamation of two of the units to enable the needs of large family to be met.

A privately owned property was also acquired for rent at Lomond Court, Aberfoyle with assistance from the Council's Strategic Housing Account.

The Association has an ongoing development programme for new homes. In particular:

- Work was started on 14 new homes for rent at Campsie Road, Strathblane
- A site at Station Road, Callander was acquired at the end of the year for 23 flats for rent.
- RSHA also still has land to develop a further six homes at Springbank Road, Doune.

Property Maintenance

RSHA seeks to maintain its properties to the highest standard and carries out regular reactive and cyclical maintenance to all its properties. In addition the Association has an ongoing major repairs programme to ensure that all properties are kept to a high standard.

During the year the Association carried out bathroom renewals at 17 properties and external redecoration at 42 properties. A range of smaller planned contracts were also carried out throughout the stock including thermal improvement, drainage improvement and other environmental works.

1,366 reactive repairs were carried out during the year. The Association responds to repair requests within agreed target times for the particular category of repair (Emergency- 4 hours; Urgent - 3 days; Routine - 10 days. 88.8% of emergency repairs were carried out on-time and it took on average 5.2 days to carry out non-emergency repairs.

All those reporting a repair are sent a satisfaction survey form and this exercise indicates a continuing high level of satisfaction with the service received (96%).

RURAL STIRLING HOUSING ASSOCIATION LIMITED

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

Review of Business and Future Developments (Contd.)

Annual Return on the Charter (ARC)

The Association's performance against the Charter indicators in 2015/16 compared with the return for the two previous years can be seen below. The Association continued to perform well against the key indicators and some significant improvements were achieved.

ARC indicator	2013/14	2014/15	2015/16
Overall tenant satisfaction	93.9%	93.9%	93.9%*
% who feel landlord is good at keeping them informed	92.9%	92.9%	92.9%*
% satisfaction with opportunities to participate in decision making processes	93.9%	93.9%	93.9%*
% of complaints responded to within timescales	81.3%	93.8%	86.8%
% of stock meeting SHQS	97.9%	100%	100%
Average time to complete emergency repairs	2.38 hrs	2.48 hrs	2.55 hrs
Average time to complete non-emergency repairs	7.38 days	6.7 days	5.21 days
% of reactive repairs carried out right first time	90.4%	88.1%	91.8%
% of tenants who have had repairs carried out in last 12 months satisfied with service	83.7%	93.4%	96%
Rent collected as % of rent due	100.8%	99.7%	100.1%
% of rent lost through empty properties	0.44%	0.34%	0.23%
Rent increase applied for 2016/17	2.6%	2.3%	1.5%
Gross rent arrears	5.5%	4.8%	5.0%
ASB cases resolved within targets	73.7%	73.7%	90.4%
Satisfaction with management of neighbourhood	91.1%	91.1%	91.1%*
Average time to re-let properties	21.2 days	11.6 days	12.4 days

(* = Same figure applies as in previous years as drawn from independent tenant satisfaction survey carried out by BMG Ltd in 2013/14. The results of the latest survey, carried out in May 2016, have now been received and show increases in satisfaction for most questions asked, e.g. 97% reporting overall satisfaction with RSHA as landlord).

RURAL STIRLING HOUSING ASSOCIATION LIMITED

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

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 Co-operative and Community Benefit Act 2014 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 enable them to: ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements - 2015. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

The Management Committee must in determining how amounts are presented within items in the statement of comprehensive income and statement of financial position, 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.

RURAL STIRLING HOUSING ASSOCIATION LIMITED

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

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;
- Quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- the Management Committee receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

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

Donations

During the year the Association made charitable donations amounting to £nil (2015 £2,350).

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

FIONA BOATH
Secretary
17 August 2016



RURAL STIRLING HOUSING ASSOCIATION LIMITED

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



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

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 6 has provided the disclosures required by the relevant Regulatory Standards with the publication "Our Regulatory Framework" and associated Regulatory Advice Notes by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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

Alexander Sloan

ALEXANDER SLOAN
Chartered Accountants

GLASGOW
17 August 2016

We have audited the financial statements of Rural Stirling Housing Association Limited for the year ended 31st March 2016 which comprise a statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and accounting standard of the United Kingdom.

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

Respective Responsibilities of 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

Opinion on the financial statements

In our opinion the Financial Statements:

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

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

Matters on which we are required to report by exception

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

- the information given in the Management Committee's Report is inconsistent with the financial statements.
- proper books of account have not been kept by the Association in accordance with the requirements of the legislation.
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation.

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

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

- the Statement of Comprehensive Income to which our report relates, and the Statement of Financial Position are not in agreement with the books of the Association.
- we have not received all the information and explanations necessary for the purposes of our audit.

We have nothing to report in respect of these matters.

Alexander Sloan

ALEXANDER SLOAN

Chartered Accountants
Statutory Auditors
GLASGOW
17 August 2016

RURAL STIRLING HOUSING ASSOCIATION LIMITED

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

	Notes	2016		2015	
		£	£	£	£
REVENUE	2.		2,994,776		2,987,536
Operating Costs	2.		(2,160,366)		(2,184,191)
OPERATING SURPLUS	9.		834,410		803,345
Gain / (Loss) On Sale Of Housing Stock	7.	12,434		(22,118)	
Interest Receivable and Other Income		1,398		4,380	
Interest Payable and Similar Charges	8.	(378,377)		(365,535)	
Movement in fair value of financial instruments	24.	26,159		(117,338)	
Other Finance Charges	11.	(2,859)		(2,749)	
			(341,245)		(503,360)
SURPLUS FOR YEAR			<u>493,165</u>		<u>299,985</u>

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

The notes on pages 14 to 28 form part of these financial statements.

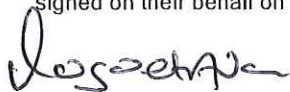
RURAL STIRLING HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2016

	Notes	2016		2015	
		£	£	£	£
NON-CURRENT ASSETS					
Housing Properties - Depreciated Cost	12.(a)		37,537,513		36,759,578
Other Non Current Assets	12.(b)		222,270		222,574
			<u>37,759,783</u>		<u>36,982,152</u>
INVESTMENTS					
Investment in subsidiaries	26.	1		1	
			1		1
CURRENT ASSETS					
Receivables	15.	1,086,608		196,508	
Cash at bank and in hand		1,157,577		1,683,790	
		<u>2,244,185</u>		<u>1,880,298</u>	
CREDITORS: Amounts falling due within one year	16.	<u>(1,052,802)</u>		<u>(742,160)</u>	
NET CURRENT ASSETS			<u>1,191,383</u>		<u>1,138,138</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			38,951,167		38,120,291
CREDITORS: Amounts falling due after more than one year	17.		<u>(10,035,239)</u>		<u>(10,256,960)</u>
DEFERRED INCOME					
Social Housing Grants	19.	(23,852,607)		(23,378,456)	
Other Grants	19.	<u>(1,226,138)</u>		<u>(1,140,850)</u>	
			<u>(25,078,745)</u>		<u>(24,519,306)</u>
NET ASSETS			<u>3,837,183</u>		<u>3,344,025</u>
EQUITY					
Share Capital	20.		292		299
Revenue Reserves			3,836,891		3,343,726
			<u>3,837,183</u>		<u>3,344,025</u>

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

The Financial Statements were approved by the Management Committee and authorised for issue and signed on their behalf on 17 August 2016.


Chairperson


Vice-Chairperson

Secretary 

The notes on pages 14 to 28 form part of these financial statements.

RURAL STIRLING HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

31st MARCH 2016

	Notes	2016	2015
		£	£
Net Cash Inflow from Operating Activities	18.	2,240,904	764,631
Investing Activities			
Acquisition and Construction of Properties	(1,662,825)	(743,665)	
Purchase of Other Fixed Assets	(12,590)	(3,228)	
Social Housing Grant Received	(512,235)	361,023	
Social Housing Grant Repaid	(8,750)	79,621	
Other Grants Received	50,000	174,453	
Proceeds on Disposal of Properties	26,495	57,716	
Net Cash Outflow from Investing Activities		(2,119,905)	(74,080)
Financing Activities			
Loan Advances Received	-	1,096,920	
Overdraft redemption converted to loan	-	(1,096,920)	
Interest Received on Cash and Cash Equivalents	1,398	4,380	
Interest Paid on Loans	(378,377)	(365,535)	
Loan Principal Repayments	(270,238)	(260,468)	
Share Capital Issued	5	25	
Net Cash Outflow from Financing		(647,212)	(621,598)
(Decrease) / Increase in Cash		(526,213)	68,953
Opening Cash & Cash Equivalents		1,683,790	1,614,837
Closing Cash & Cash Equivalents		1,157,577	1,683,790
Cash and Cash equivalents as at 31 March 2016.			
Cash		1,157,577	1,683,790
Bank overdraft		-	-
		1,157,577	1,683,790

The notes on pages 14 to 28 form part of these financial statements.

RURAL STIRLING HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY

31st MARCH 2016

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1st April 2014	299	3,043,741	3,044,040
Issue of Shares	25		25
Cancellation of Shares	(25)		(25)
Surplus for Year		299,985	299,985
Balance as at 31st March 2015	299	3,343,726	3,344,025
Balance as at 1st April 2015	299	3,343,726	3,344,025
Issue of Shares	5		5
Cancellation of Shares	(12)		(12)
Surplus for Year		493,165	493,165
Balance as at 31st March 2016	292	3,836,891	3,837,183

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

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for social housing providers 2014. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2015.

Basis Of Consolidation

The Association has obtained exemption from the Financial Services Authority from producing Consolidated Financial Statements as provided by Section 14(2A) of the Friendly and Industrial and Provident Societies Act 1968. The Financial Statements for Rural Stirling Housing Association Limited present information about it as an individual undertaking and not about its Group.

Revenue

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

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

Retirement Benefits

The Association operates a defined contribution pension scheme. The pension cost charged in the financial statements for the scheme represent the contribution payable by the Association during the year.

Valuation Of Housing Properties

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

<i>Component</i>	<i>Useful Economic Life</i>
Kitchens	18
Bathrooms	30
Boilers	15
Heating systems	30
Windows	40
External Doors	30
Rewiring	40
Roofs	50
Structure	50
Solar Panels	25

RURAL STIRLING HOUSING ASSOCIATION LIMITED

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

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Depreciation And Impairment Of Other Non-Current Assets

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

Office Premises	2%
Furniture and Fittings	10%
Motor Vehicles	25%
Office Equipment	20%

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

Social Housing Grant And Other Grants In Advance/Arrears

Social Housing Grants and Other Capital Grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which it relates.

Social Housing Grant attributed to individual components is written off to the Statement of comprehensive Income when these components are replaced.

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

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

Sales Of Housing Properties

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

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

Disposals under shared equity schemes are accounted for in the Statement of Comprehensive Income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

Estimation Uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Committee to exercise judgement in applying Rural Stirling's Accounting Policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, is disclosed below:

Rent Arrears - Bad Debt Provision

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

Life Cycle of Components

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

Useful life of properties, plant and equipment

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

Costs of shared ownership

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

RURAL STIRLING HOUSING ASSOCIATION LIMITED

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

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Leases/Leased Assets

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

Works to Existing Properties

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

Development Interest

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

Derivative Financial Instruments

The Association uses an interest-rate swap to manage its exposure to interest-rate movements. The fair value of these contracts is recorded in the balance sheet and is determined by discounted future cash flows at the prevailing market rates at the balance sheet date.

The Association's interest rate swap is not designated as a hedging instrument.

Key Judgements made in the application of Accounting Policies

a) Exemptions taken in the transition to FRS 102

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

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

b) The Categorisation of Housing Properties

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

c) Identification of cash generating units

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

Financial Instruments - Basic

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

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

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Notes	2016			2015		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities	3.	2,970,403	2,160,366	810,037	2,953,588	2,166,620	786,968
Other Activities	4.	24,373	-	24,373	33,948	17,571	16,377
Total		2,994,776	2,160,366	834,410	2,987,536	2,184,191	803,345

3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Shared ownership £	2016 Total £	Restated 2015 Total £
Revenue from Lettings				
Rent Receivable Net of Service Charges	2,148,649	54,574	2,203,223	2,123,359
Service Charges	9,501	825	10,326	11,790
Gross income from rent and service charges	2,158,150	55,399	2,213,549	2,135,149
Less: Rent losses from voids	5,572	-	5,572	12,373
Net Rents Receivable	2,152,578	55,399	2,207,977	2,122,776
Grants released from deferred income	711,051	-	711,051	780,094
Revenue grants from Scottish Ministers	51,375	-	51,375	50,718
Total turnover from affordable letting activities	2,915,004	55,399	2,970,403	2,953,588
Expenditure on affordable letting activities				
Management and maintenance administration costs	721,973	31,405	753,378	698,876
Service Costs	26,934	-	26,934	30,086
Planned and cyclical maintenance, including major repairs	157,407	-	157,407	189,098
Reactive maintenance costs	210,742	-	210,742	235,826
Bad Debts - rents and service charges	4,515	-	4,515	8,963
Depreciation of affordable let properties	994,985	12,405	1,007,390	1,003,771
Operating costs of affordable letting activities	2,116,556	43,810	2,160,366	2,166,620
Operating surplus on affordable letting activities	798,448	11,589	810,037	786,968
2015	763,584	23,384		

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

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	£	£	£	£	£	£	£	£
	Grants From Scottish Ministers	Other Income	Total Turnover	Operating Costs Other	Operating Surplus / (Deficit) 2016	Operating Surplus / (Deficit) 2015		
Factoring	-	-	5	5	-	5	378	
Administration allowance for Stage III Grants	5,138	-	-	5,138	-	5,138	2,260	
Income from subsidiary	-	5,885	5,885	5,885	-	5,885	-	
Group Structure costs	-	-	-	-	-	-	(2,571)	
Other activities	-	947	947	947	-	947	2,260	
Solar Panel tariffs	-	12,398	12,398	12,398	-	12,398	14,050	
Total From Other Activities	5,138	19,235	24,373	24,373	-	24,373	16,377	
2015	2,260	31,688	33,948	17,571	16,377			

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

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

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

2016	2015
£	£

No Officer of the Association received emoluments greater than £60,000.

No Pension contributions were made to Officers receiving greater than £60,000

Emoluments payable to Chief Executive (excluding pension contributions)	58,244	56,588
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Total Compensation paid to key management personnel	63,409	61,753
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6. EMPLOYEE INFORMATION

	2016	2015
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	12	11

The average total number of Employees employed during the year was	12	11
--------------------------------------------------------------------	----	----

Staff Costs were:	£	£
Wages and Salaries	409,283	380,645
Social Security Costs	36,817	33,288
Other Pension Costs	25,813	27,287
Temporary, Agency and Seconded Staff	-	8,499
	471,913	449,719

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	2016	2015
	£	£
Sales Proceeds	26,495	57,716
Cost of Sales	<u>14,061</u>	<u>79,834</u>
Gain / (Loss) On Sale Of Housing Stock	<u>12,434</u>	<u>(22,118)</u>

8. INTEREST PAYABLE & SIMILAR CHARGES

	2016	2015
	£	£
On Bank Loans & Overdrafts	<u>378,377</u>	<u>365,535</u>
	<u>378,377</u>	<u>365,535</u>

9. SURPLUS FOR YEAR

	2016	2015
	£	£
Surplus is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	1,019,535	1,015,572
Auditors' Remuneration - Audit Services	10,906	8,000
Auditors' Remuneration - Other Services	2,700	800
Operating Lease Rentals - Other	768	768
Gain on sale of fixed assets	<u>12,434</u>	<u>(22,118)</u>

10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

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

11. OTHER FINANCE INCOME / CHARGES

	2016	2015
	£	£
Unwinding of Discounted Liabilities	<u>2,859</u>	<u>2,749</u>

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. NON-CURRENT ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Completed Shared Ownership Properties £	Total £
COST				
As at 1st April 2015	46,319,057	25,766	1,029,534	47,374,357
Additions	5,741	1,793,646	-	1,799,387
Disposals	(2,265)	-	(18,801)	(21,066)
Schemes Completed	538,044	(538,044)	-	-
As at 31st March 2016	<u>46,860,577</u>	<u>1,281,368</u>	<u>1,010,733</u>	<u>49,152,678</u>
DEPRECIATION				
As at 1st April 2015	10,283,182	-	331,597	10,614,779
Charge for Year	989,496	-	17,145	1,006,641
Disposals	(1,515)	-	(4,740)	(6,255)
As at 31st March 2016	<u>11,271,163</u>	<u>-</u>	<u>344,002</u>	<u>11,615,165</u>
NET BOOK VALUE				
As at 31st March 2016	<u>35,589,414</u>	<u>1,281,368</u>	<u>666,731</u>	<u>37,537,513</u>
As at 31st March 2015	<u>36,035,875</u>	<u>25,766</u>	<u>697,937</u>	<u>36,759,578</u>

Additions to housing properties includes capitalised development administration costs of £nil (2015 - £nil) and capitalised major repair costs to existing properties of £5,741 (2015 £64,109)

All land and housing properties are freehold.

Total expenditure on existing properties in the year amounted to £373,883. The amount capitalised is £5,741, with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £5,741 and improvement of £nil.

The Association's Lenders have standard securities over Housing Property with a carrying value of £17,477,295 (2015 - £17,994,890).

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. NON CURRENT ASSETS (Continued)

b) Other Tangible Assets	Motor Vehicle £	Office equipment £	Office Premises £	Furniture & Equipment £	Total £
COST					
As at 1st April 2015	8,809	19,644	265,119	18,260	311,832
Additions	11,720	-	-	870	12,590
Eliminated on Disposals	(8,809)	-	-	-	(8,809)
As at 31st March 2016	11,720	19,644	265,119	19,130	315,613
AGGREGATE DEPRECIATION					
As at 1st April 2015	8,809	12,961	55,528	11,960	89,258
Charge for year	2,930	2,743	4,919	2,302	12,894
Eliminated on disposal	(8,809)	-	-	-	(8,809)
As at 31st March 2016	2,930	15,704	60,447	14,262	93,343
NET BOOK VALUE					
As at 31st March 2016	8,790	3,940	204,672	4,868	222,270
As at 31st March 2015	-	6,683	209,591	6,300	222,574

12. CAPITAL COMMITMENTS

	2016 £	2015 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	1,133,617	378,575

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

13 COMMITMENTS UNDER OPERATING LEASES

	2016 £	2015 £
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-		
Later than one year and not later than five years	2,688	3,456

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

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. RECEIVABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Arrears of Rent & Service Charges	105,989	105,432
Less: Provision for Doubtful Debts	(46,208)	(46,233)
	59,781	59,199
Social Housing Grant Receivable	891,273	27,191
Other Receivables	129,257	110,118
Amounts Due from Group Undertakings	6,297	-
	<u>1,086,608</u>	<u>196,508</u>

16. PAYABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Housing Loans	254,002	328,681
Trade Payables	4,147	38,479
Rent in Advance	78,120	75,268
Social Housing Grant in Advance	136,565	122,685
Other loans	74,335	71,476
Other Payables	5,750	366
Accruals and Deferred Income	499,883	105,205
	<u>1,052,802</u>	<u>742,160</u>

At the balance sheet date there were pension contributions outstanding of £5,384 (2015 £nil)

17. PAYABLES AMOUNTS FALLING DUE AFTER ONE YEAR

	2016 £	2015 £
Derivative Financial Instruments	509,726	535,885
Housing Loans	9,525,513	9,721,075
	<u>10,035,239</u>	<u>10,256,960</u>
<i>Housing Loans</i>		
Amounts due within one year	254,002	328,681
Amounts due in one year or more but less than two years	210,000	254,002
Amounts due in two years or more but less than five years	793,000	793,000
Amounts due in more than five years	8,522,513	8,345,392
	9,779,515	9,721,075
Less: Amount shown in Current Liabilities	254,002	328,681
	<u>9,525,513</u>	<u>9,392,394</u>
<i>Derivative Financial Instruments</i>		
Amounts due in more than five years	509,726	535,885
	<u>509,726</u>	<u>535,885</u>

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

Lender	Security	Effective Interest Rate	Maturity	Variable / Fixed
Nationwide Building Society	Standard Security over 4 properties	3.99%		2029 Variable
Nationwide Building Society	Standard Security over 6 properties	3.49%		2027 Variable
Nationwide Building Society	Standard Security over 18 properties	3.49%		2028 Variable
Nationwide Building Society	Standard Security over 9 properties	1.04%		2033 Variable
Nationwide Building Society	Standard Security over 8 properties	3.49%		2032 Variable
Nationwide Building Society	Standard Security over 10 properties	3.49%		2024 Variable
Nationwide Building Society	Standard Security over 8 properties	3.49%		2028 Variable
Nationwide Building Society	Standard Security over 23 properties	1.09%		2034 Variable
Nationwide Building Society	Standard Security over 24 properties	0.99%		2037 Variable
Nationwide Building Society	Standard Security over 20 properties	1.84%		2039 Variable
Bank of Scotland	Standard Security over 2 properties	5.50%		2025 Fixed
Bank of Scotland	Standard Security over 8 properties	1.10%		2033 Variable
Bank of Scotland	Standard Security over 5 properties	1.10%		2033 Variable
Bank of Scotland	Standard Security over 12 properties	4.12%		2033 Fixed
Bank of Scotland	Standard Security over 27 properties	4.12%		2032 Fixed
Bank of Scotland	Standard Security over 35 properties	5.95%		2025 Fixed
Bank of Scotland	Standard Security over 12 properties	3.42%		2027 Variable
Bank of Scotland	Standard Security over 20 properties	3.41%		2028 Variable
Royal Bank of Scotland	Standard Security over 30 properties	7.50%		2029 Fixed
Royal Bank of Scotland	Standard Security over 32 properties	5.30%		2040 Fixed
Royal Bank of Scotland	Standard Security over 32 properties	6.11%		2040 Fixed
Royal Bank of Scotland	Standard Security over 12 properties	2.04%		2040 Variable
Royal Bank of Scotland	Standard Security over 20 properties	2.59%		2040 Variable

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

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. STATEMENT OF CASH FLOWS

<i>Reconciliation of operating surplus to balance as at 31st march 2016</i>	2016 £	2015 £
Operating Surplus	834,410	803,345
Depreciation	1,020,285	1,015,572
Amortisation of Capital Grants	(711,051)	(780,094)
Change in debtors	865,255	(78,138)
Change in creditors	234,876	(193,280)
Unwinding of Discount on financial instrument	(2,859)	(2,749)
Share Capital Written Off	(12)	(25)
Balance as at 31st March 2016	<u>2,240,904</u>	<u>764,631</u>

19. DEFERRED INCOME

	2016 £	2015 £
<i>Social Housing Grants</i>		
Balance as at 1st April 2015	23,378,456	24,005,040
Additions in year	1,159,240	197,630
Released / Repaid as the result of property disposal	(8,750)	(79,099)
Amortisation in Year	(676,339)	(745,115)
Balance as at 31st March 2016	<u>23,852,607</u>	<u>23,378,456</u>
<i>Other Grants</i>		
Balance as at 1st April 2015	1,140,850	1,001,452
Additions in year	120,000	175,000
Released / Repaid as the result of property disposal	-	(623)
Amortisation in Year	(34,712)	(34,979)
Balance as at 31st March 2016	<u>1,226,138</u>	<u>1,140,850</u>
Total	<u>25,078,745</u>	<u>24,519,306</u>

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

	2,016 £	2,015 £
Amounts due within one year	711,051	780,094
Amounts due in one year or more	24,367,694	23,739,212
	<u>25,078,745</u>	<u>24,519,306</u>

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2015	299
Issued in year	5
Cancelled in year	(12)
At 31st March 2016	<u>292</u>

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

21. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2016	2015
	No.	No.
General Needs - New Build	538	531
General Needs - Rehabilitation	13	12
Shared Ownership	24	25
	<u>575</u>	<u>568</u>

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. RELATED PARTY TRANSACTIONS

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

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

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

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

Rent Received from Tenants on the Committee	£ 17,462
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At the year end total rent arrears owed by the tenant members of the Committee were £733

23. DETAILS OF ASSOCIATION

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

The Association's principal place of business is Stirling Road, Doune , Perthshire.

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

24. CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

	2016	2015
	£	£
Opening Fair Value of interest rate swap	535,885	418,547
Change in fair value	(26,159)	117,338
	<u>509,726</u>	<u>535,885</u>

Interest Rate Risk

Bank borrowings are in accordance with the Association's Treasury Management Policy and interest rate risk is managed by having a suitable balance of variable and fixed rate borrowings. The Interest rate swap forms part of that strategy.

25. GOVERNING BODY MEMBER EMOLUMENTS

Board members received £2,802 in the year by way of reimbursement of expenses (2015 - £4,661). No remuneration is paid to Board members in respect of their duties in the Association.

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. INVESTMENTS

	2016 £	2015 £
Investments in Subsidiaries		
As at 31st March 2016 & 31st March 2015	1	1

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

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

The aggregate amount of capital and reserves and the results of Venachar Limited for the year

	2016 £	2015 £
Capital & Reserves	356	1
Profit for the year	355	-

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. TRANSITION TO THE FINANCIAL REPORTING STANDARD

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

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

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

		Reconciliation of Capital & Reserves					
		At 31 March 2015			At 31 March 2014		
Note	As previously Stated	Effect of Transition	As Restated	As previously Stated	Effect of Transition	As Restated	
	£	£	£	£	£	£	
Non Current Assets	11,614,880	25,367,272	36,982,152	11,570,083	25,796,861	37,366,944	
Investment	1	-	1	1	-	1	
Current Assets	1,880,298	-	1,880,298	1,828,611	9	1,828,620	
Current Liabilities	(760,693)	18,533	(742,160)	(1,783,094)	-	(1,783,094)	
Non Current Liabilities	(9,721,075)	(535,885)	(10,256,960)	(8,964,665)	(397,274)	(9,361,939)	
Deferred Income	-	(24,519,306)	(24,519,306)	-	(25,006,492)	(25,006,492)	
	3,013,411	330,614	3,344,025	2,650,936	393,104	3,044,040	
Capital & Reserves	(3,013,411)	(330,614)	(3,344,025)	(2,650,936)	(393,104)	(3,044,040)	

		Reconciliation of Retained Surpluses for the Year		
		Year Ended 31 March 2015		
Note	As previously Stated	Effect of Transition	As Restated	
	£	£	£	£
Revenue		2,207,442	780,094	2,987,536
Operating Costs		(1,516,867)	(667,324)	(2,184,191)
Other Income		33,055	(55,173)	(22,118)
Interest Receivable		4,380	-	4,380
Interest Payable		(365,535)	-	(365,535)
Change in Fair Value of Financial Inst.		-	(117,338)	(117,338)
Other Finance Income / Costs		-	(2,749)	(2,749)
		362,475	(62,490)	299,985
Surplus		362,475	(62,490)	299,985

Notes to the Reconciliations

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

(ii) - The Association has an interest rate swap which was previously unrecognised, but now requires to be recognised at its fair value under FRS 102 Section 12.