



Alexander Sloan
Accountants and Business Advisers

Rural Stirling Housing Association Limited

Report and Financial Statements

For the year ended 31st March 2017

Registered Housing Association No.HAL232

FCA Reference No. 2376(S)

Scottish Charity No. SCO37849

RURAL STIRLING HOUSING ASSOCIATION LIMITED

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RURAL STIRLING HOUSING ASSOCIATION LIMITED

BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS YEAR ENDED 31st MARCH 2017

BOARD OF MANAGEMENT

Margaret Vass	Chairperson
Colin O'Brien	Vice Chairperson
Fiona Boath	Secretary
Linda Anderson	
Rob Hughes	
Fiona Russell	
Theresa Elliot	
David Frod	
Alistair Miller	
Susan Macmillan	
Mark Griffiths	Co-optee appointed May 2016, elected September 2016
Bob Moyes	Co-optee appointed May 2016, elected September 2016
Andrew Brown	Co-optee appointed May 2016, elected September 2016, resigned June 2017
Philip Ragsdell	Elected September 2016
Margaret Beaton	Resigned August 2016
Councillor Martin Earl	Council Representative, to May 2017
Evelyn Tweed	Council Representative, from June 2017

EXECUTIVE OFFICERS

Tony Teasdale	Chief Executive
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REGISTERED OFFICE

Stirling Road
Doune
Perthshire
FK16 6AA

AUDITORS

Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow
G2 7HF

INTERNAL AUDITORS

The Internal Audit Association
61 Dublin Street
Edinburgh
EH3 6NL

BANKERS

Royal Bank of Scotland
55 Main Street
Callander
FK17 8DY

SOLICITORS

Hill & Robb
3 Pitt Terrace
Stirling
FK8 2EY

FINANCE AGENTS

FMD Financial Services
KCEDG Commercial Centre
Uni 29 Ladyloan Place
Glasgow
G15 8LB

RURAL STIRLING HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2017

The Board of Management presents its report and the Financial Statements for the year ended 31st March 2017.

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

Review of Business and Future Developments

Objectives and Strategy

Our mission is to provide high quality affordable homes and services which will contribute to the well-being of the Rural Stirling communities that we serve.

Our vision and reason for being is building affordable homes: growing rural communities. We will build and manage affordable homes and other services to help our communities grow and thrive. We will do this by working closely with our customers, communities and local stakeholders. Great service and value for money will be at our core and we will strive relentlessly to balance both.

Housing stock

At 31st March 2017, the Association owned 588 properties - 566 homes for rent and 21 for shared ownership and 1 property leased to our subsidiary company Venacher, for mid- market rent.

These are located within 17 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 2016/17 was £76.74 (including common landscaping and other service charges).

Office and staffing

The Association's staff team at the end of the year comprised 11.8 full time equivalent posts.

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

During the year the Association commenced a review of the staffing structure as part of our wider "Excellence Change" project.

Performance

The Association has reported a surplus for the year of £579,638 (2016 - £493,165). In addition, net assets have increased by £579,638 to £493,165.

The Board is satisfied with these results.

Rent losses from voids and bad debts remained low at 0.37% of gross rental and service charge income.

46 (32 relets & 14 new builds) properties were let during the year and it took 13.69 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 227 new applications for housing received during the year and 637 live applications for housing on our list at 31/3/17.

RURAL STIRLING HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Review of Business and Future Developments (Contd.)

Development

During the year 14 new build homes for social rent were completed at our Campsie Road, Strathblane development. Two shared ownership properties were acquired (16 Charles St, Gargunnoch & 1 Old Station Ct, Aberfoyle), one for social rent and one leased to our subsidiary company Venachar, for mid-market rent.

The Association has an ongoing development programme for new homes. Two additional sites for future development were acquired before the end of the year, as follows:

- Claish Farm, Callander (50 homes)
- Plantation Site, Balmaha (22 homes)

In addition, the Association also had plans to develop previously land-banked sites as follows:

- Station Road, Callander (23 homes)
- Springbank Road, Doune (Ph.5) (6 homes)

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 renewed kitchens in 76 properties, and fitted new gas boilers in a further 31. Preparations for new gas central heating was completed through the introduction of gas supplies into 4 developments containing 52 properties. External redecoration was carried out at 42 properties and a range of smaller planned contracts were also carried out throughout the stock including garden drainage improvements and some re-rendering.

1,324 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. It took on average 2.3 hours to attend to emergency repairs and 5.1 days for all other repairs. Repairs were completed Right First Time 89% of the time and all gas safety checks were carried out by their anniversary.

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%).

Annual Return on the Charter (ARC)

The Association's performance against the Charter indicators in 2016/17 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. The latest independent survey of tenant satisfaction, carried out by Research Resource Ltd in June 2016, suggested further improvements in tenant satisfaction across the board (indicators marked as *).

ARC indicator	2014/15	2015/16	2016/17
Overall tenant satisfaction	93.90%	93.9%*	97.4%*
% who feel landlord is good at keeping them informed	92.90%	92.9%*	98.7%*
% satisfaction with opportunities to participate in decision	93.90%	93.9%*	99.6%*
% of complaints responded to within timescales	93.80%	86.80%	75.30%
% of stock meeting SHQS	100%	100%	100%
Average time to complete emergency repairs	2.48 hrs	2.55 hours	2.3 hours
Average time to complete non-emergency repairs	6.7 days	5.21 days	5.06 days
% of reactive repairs carried out right first time	88.06%	91.82%	89.07%
% of tenants who have had repairs carried out in last 12	93.43%	96%	95.90%
Rent collected as % of rent due	99.69%	100.10%	102.52%
% of rent lost through empty properties	0.34%	0.23%	0.20%
Rent increase applied for 2016/17	2.30%	1.50%	2.00%
Gross rent arrears	4.76%	4.99%	4.60%
ASB cases resolved within targets	73.68%	90.38%	91.04%
Satisfaction with management of neighbourhood	91.08%	91.08%	99.12%*
Average time to re-let properties	11.6 days	12.44 days	13.69 days

RURAL STIRLING HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Board of Management and Executive Officers

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

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

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

Statement of Board of Management's Responsibilities

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

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

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements 2015. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

The Board of Management must in determining how amounts are presented within items in the 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 Board of Management are aware:

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

RURAL STIRLING HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Statement on Internal Financial Control

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

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

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

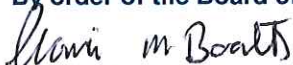
- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- experienced and suitably qualified staff take responsibility 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 Board of Management to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- Quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board of Management;
- the Board of Management receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Board of Management has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2017. 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.

Auditors

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

By order of the Board of Management



FIONA BOATH

Secretary

16 August 2017

RURAL STIRLING HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE MEMBERS 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 5 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 5 has provided the disclosures required by the relevant Regulatory Standards with the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator, in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the Board of Management and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Board of Management's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls 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
Statutory Auditors
GLASGOW
16 August 2017



Alexander Sloan
Accountants and Business Advisers

We have audited the financial statements of Rural Stirling Housing Association Limited for the year ended 31st March 2017 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 standards of the

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 Board of Management and Auditors

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC) 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 Board of Management; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Board of Management'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 for 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 2017 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 Board of Management's Report is inconsistent with the financial statements.
- proper books of account have not been kept by the Association in accordance with the requirements of the legislation.
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation.

**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
16 August 2017



Alexander Sloan
Accountants and Business Advisers

RURAL STIRLING HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2017

	Notes	2017	2016
		£	£
REVENUE	2.	3,143,710	2,994,776
Operating Costs	2.	(2,290,689)	(2,160,366)
OPERATING SURPLUS	9.	853,021	834,410
Gain On Sale Of Housing Stock	7.	33,421	12,434
Interest Receivable and Other Income		997	1,398
Interest Payable and Similar Charges	8.	(372,029)	(378,377)
Movement in fair value of financial instruments	23.	67,201	26,159
Other Finance Charges	10.	(2,973)	(2,859)
		(273,383)	(341,245)
SURPLUS FOR YEAR		579,638	493,165
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		579,638	493,165

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

RURAL STIRLING HOUSING ASSOCIATION LIMITED

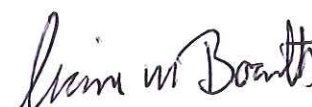
STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2017

	Notes	2017		2016	
		£	£	£	£
NON-CURRENT ASSETS					
Housing Properties - Depreciated Cost	11.(a)		38,143,762		37,537,513
Other Non Current Assets	11.(b)		227,493		222,270
			<u>38,371,255</u>		<u>37,759,783</u>
INVESTMENTS					
Investment in subsidiaries	25.	1		1	
			<u>1</u>		<u>1</u>
CURRENT ASSETS					
Receivables	14.	214,000		1,086,608	
Cash at bank and in hand		985,964		1,157,577	
		<u>1,199,964</u>		<u>2,244,185</u>	
CREDITORS: Amounts falling due within one year	15.	(893,909)		(1,052,802)	
			<u>306,055</u>		<u>1,191,383</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>38,677,311</u>		<u>38,951,167</u>
CREDITORS: Amounts falling due after more than one year	16.		(9,726,834)		(10,035,239)
DEFERRED INCOME					
Social Housing Grants	18.	(23,341,859)		(23,852,607)	
Other Grants	18.	(1,191,805)		(1,226,138)	
			<u>(24,533,664)</u>		<u>(25,078,745)</u>
NET ASSETS					
			<u>4,416,813</u>		<u>3,837,183</u>
EQUITY					
Share Capital	19.		284		292
Revenue Reserves			4,416,529		3,836,891
			<u>4,416,813</u>		<u>3,837,183</u>

The Financial Statements were approved by the Board of Management and authorised for issue and signed on their behalf on 16 August 2017.


Chairperson


Vice Chairperson


Secretary

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

RURAL STIRLING HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2017

	Notes	2017	2016
		£	£
Net Cash Inflow from Operating Activities	17.	1,051,685	2,240,904
Investing Activities			
Acquisition and Construction of Properties	(1,666,654)	(1,662,825)	
Purchase of Other Fixed Assets	(16,454)	(12,590)	
Social Housing Grant Received	1,026,212	(512,235)	
Social Housing Grant Repaid	-	(8,750)	
Other Grants Received	-	50,000	
Proceeds on Disposal of Properties	61,456	26,495	
Net Cash Outflow from Investing Activities		(595,440)	(2,119,905)
Financing Activities			
Interest Received on Cash and Cash Equivalents	997	1,398	
Interest Paid on Loans	(362,281)	(378,377)	
Loan Principal Repayments	(266,585)	(270,238)	
Share Capital Issued	11	5	
Net Cash Outflow from Financing		(627,858)	(647,212)
Decrease in Cash		(171,613)	(526,213)
Opening Cash & Cash Equivalents		1,157,577	1,683,790
Closing Cash & Cash Equivalents		985,964	1,157,577
Cash and Cash equivalents as at 31 March 2017			
Cash		985,964	1,157,577
		985,964	1,157,577

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

RURAL STIRLING HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31st MARCH 2017

	Share Capital	Revenue Reserve	Total
	£	£	£
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 31 March 2016	<u>292</u>	<u>3,836,891</u>	<u>3,837,183</u>
Balance as at 1st April 2016	292	3,836,891	3,837,183
Issue of Shares	11	-	11
Cancellation of Shares	(19)	-	(19)
Surplus for Year	-	579,638	579,638
Balance as at 31 March 2017	<u>284</u>	<u>4,416,529</u>	<u>4,416,813</u>

The reserves opening balance at 1st April 2015 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 2017

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 Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords 2014, and on the historical cost basis. They also comply with the Determination of Accounting Requirements 2015. A summary of the more important accounting policies is set out below.

Basis Of Consolidation

The Association has obtained exemption from the Financial Conduct 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 the group.

Revenue

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

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

Retirement Benefits

The Association operates a defined contribution pension scheme. The pension cost charged in the financial statements for the scheme represent the contributions 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 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.

Component	Useful Economic Life
Kitchen	18 years
Bathrooms	30 years
Boilers	15 years
Heating Systems	30 years
Windows	40 years
External Doors	30 years
Rewiring	40 years
Roofs	50 years
Structure	50 years
Solar Panels	25 years

Depreciation And Impairment Of Other Non-Current Assets

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

Office Premises	-2%
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.

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Social Housing Grant And Other Grants In Advance/Arrears

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

Social Housing Grant attributed to individual components is written off to the Statement of Comprehensive Income 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 Board of Management to exercise judgement in applying Rural Stirling Housing Association Limited'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, are disclosed below:

a) 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.

b) 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.

c) 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 assessment.

d) Costs of shared ownership

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

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Leases/Leased Assets

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

Works to Existing Properties

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

Capitalisation Of Development Overheads

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

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.

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 Statement of Comprehensive Income in accordance with the Statement of Recommended Practice.

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

Key Judgements made in the application of Accounting Policies

a) The Categorisation of Housing Properties

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

b) 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.

c) Financial instrument break clauses

The Association has considered the break clauses attached to the financial instruments that it has in place for its loan funding. In the judgement of the Board of Management, these break clauses do not cause the financial instrument to be classified as a complex financial instrument and therefore they meet the definition of a basic financial instrument.

Financial Instruments - Basic

The Association classes all of its loans as basic financial instruments including agreements with break clauses. 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 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

		2017			2016		
	Notes	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities	3.	3,116,072	2,290,689	825,383	2,970,403	2,160,366	810,037
Other Activities	4.	27,638	-	27,638	24,373	-	24,373
Total		3,143,710	2,290,689	853,021	2,994,776	2,160,366	834,410

3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Shared ownership £	2017 Total £	2016 Total £
Revenue from Lettings				
Rent Receivable Net of Service Charges	2,226,113	49,110	2,275,223	2,203,223
Service Charges	10,194	-	10,194	10,326
Gross income from rent and service charges	2,236,307	49,110	2,285,417	2,213,549
Less: Rent losses from voids	8,418	-	8,418	5,572
Net Rents Receivable	2,227,889	49,110	2,276,999	2,207,977
Grants released from deferred income	770,799	35,427	806,226	711,051
Revenue grants from Scottish Ministers	32,847	-	32,847	51,375
Total turnover from affordable letting activities	3,031,535	84,537	3,116,072	2,970,403
Expenditure on affordable letting activities				
Management and maintenance administration costs	767,018	28,389	795,407	753,378
Service Costs	29,225	-	29,225	26,934
Planned and cyclical maintenance, including major repairs	183,676	-	183,676	157,407
Reactive maintenance costs	248,326	-	248,326	210,742
Bad Debts - rents and service charges	1,686	-	1,686	4,515
Depreciation of affordable let properties	1,016,918	15,451	1,032,369	1,007,390
Operating costs of affordable letting activities	2,246,849	43,840	2,290,689	2,160,366
Operating surplus on affordable letting activities	784,686	40,697	825,383	810,037
2016	798,448	11,589		

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Grants From			Operating Surplus / (Deficit)	Operating Surplus / (Deficit)	
	Scottish Ministers	Other Income	Total Turnover	2017	2016	
	£	£	£	£	£	£
Factoring	-	-	-	-	-	5
Income from subsidiary	-	6,802	6,802	6,802		5,885
Administration allowance for Stage 3 grants	3,284	-	3,284	3,284		5,138
Other activities	-	500	500	500		947
Solar panel tariffs	-	17,052	17,052	17,052		12,398
Total From Other Activities	3,284	24,354	27,638	27,638		24,373
2016	5,138	19,235	24,373	24,373		

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

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.

	2017	2016
	£	£
No Pension contributions were made to Officers receiving greater than £60,000		
Emoluments payable to Chief Executive (excluding pension contributions)	58,263	58,244
Total Emoluments paid to key management personnel	<u>70,053</u>	<u>69,467</u>

6. EMPLOYEE INFORMATION

	2017	2016
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	<u>12</u>	<u>12</u>
The average total number of Employees employed during the year was	<u>14</u>	<u>12</u>
Staff Costs were:	£	£
Wages and Salaries	425,913	409,283
Social Security Costs	39,478	36,817
Other Pension Costs	35,804	25,813
	<u>501,195</u>	<u>471,913</u>

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. GAIN ON SALE OF HOUSING STOCK

	2017	2016
	£	£
Sales Proceeds	61,456	26,495
Cost of Sales	<u>28,035</u>	<u>14,061</u>
Gain On Sale Of Housing Stock	<u>33,421</u>	<u>12,434</u>

8. INTEREST PAYABLE & SIMILAR CHARGES

	2017	2016
	£	£
On Bank Loans & Overdrafts	<u>372,029</u>	<u>378,377</u>

9. SURPLUS FOR YEAR

	2017	2016
	£	£
Surplus is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	1,043,600	1,019,535
Auditors' Remuneration - Audit Services	10,390	10,906
Auditors' Remuneration - Other Services	-	2,700
Operating Lease Rentals - Other	768	768
Gain on sale of fixed assets	<u>(33,421)</u>	<u>(12,434)</u>

10. OTHER FINANCE INCOME / CHARGES

	2017	2016
	£	£
Unwinding of Discounted Liabilities	<u>2,973</u>	<u>2,859</u>

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. 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 2016	46,860,577	1,281,368	1,010,733	49,152,678
Additions	517,262	1,149,392	-	1,666,654
Disposals	(199,392)	-	(38,682)	(238,074)
Transfers	1,723,015	(1,651,646)	(71,369)	-
As at 31st March 2017	48,901,462	779,114	900,682	50,581,258
DEPRECIATION				
As at 1st April 2016	11,271,163	-	344,002	11,615,165
Charge for Year	1,016,918	-	15,451	1,032,369
Disposals	(199,392)	-	(10,646)	(210,038)
Transfers	23,842	-	(23,842)	-
As at 31st March 2017	12,112,531	-	324,965	12,437,496
NET BOOK VALUE				
As at 31st March 2017	36,788,931	779,114	575,717	38,143,762
As at 31st March 2016	35,589,414	1,281,368	666,731	37,537,513

Additions to housing properties include capitalised development administration costs of £nil (2016 - £nil) and capitalised major repair costs to existing properties of £517,262 (2016 - £5,741)

All land and housing properties are freehold.

Total expenditure on existing properties in the year amounted to £949,264. The amount capitalised is £517,262, with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £517,262 and improvement of £nil.

The Association's Lenders have standard securities over Housing Property with a carrying value of £17,383,666 (2016 - £17,477,295).

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. NON CURRENT ASSETS (Continued)

b) Other Tangible Assets	Office Equipment £	Motor Vehicle £	Office Premises £	Furniture & Equipment £	Total £
COST					
As at 1st April 2016	19,644	11,720	265,119	19,130	315,613
Additions	-	-	16,454	-	16,454
As at 31st March 2017	19,644	11,720	281,573	19,130	332,067
AGGREGATE DEPRECIATION					
As at 1st April 2016	15,704	2,930	60,447	14,262	93,343
Charge for year	1,902	2,930	5,234	1,165	11,231
As at 31st March 2017	17,606	5,860	65,681	15,427	104,574
NET BOOK VALUE					
As at 31st March 2017	2,038	5,860	215,892	3,703	227,493
As at 31st March 2016	3,940	8,790	204,672	4,868	222,270

12. CAPITAL COMMITMENTS

	2017 £	2016 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	-	1,133,617

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

	2017 £	2016 £
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-		
Other		
Not later than one year	768	768
Later than one year and not later than five years	1,152	1,920

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 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. RECEIVABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Arrears of Rent & Service Charges	104,450	105,989
Less: Provision for Doubtful Debts	(48,955)	(46,208)
	55,495	59,781
Social Housing Grant Receivable	134,415	891,273
Other Receivables	22,443	129,257
Amounts Due from Group Undertakings	1,647	6,297
	<u>214,000</u>	<u>1,086,608</u>

15. PAYABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Housing Loans	225,648	254,002
Trade Payables	88,933	4,147
Rent in Advance	87,770	78,120
Social Housing Grant in Advance	144,774	136,565
Other Loans	77,308	74,335
Other Payables	5,137	5,750
Accruals and Deferred Income	264,339	499,883
	<u>893,909</u>	<u>1,052,802</u>

At the balance sheet date there were pension contributions outstanding of £4,918 (2016 £5,384).

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. PAYABLES AMOUNTS FALLING DUE AFTER ONE YEAR

	2017 £	2016 £
Derivative Financial Instruments	442,525	509,726
Housing Loans	9,284,309	9,525,513
	<u>9,726,834</u>	<u>10,035,239</u>
Housing Loans		
Amounts due within one year	225,648	254,002
Amounts due in one year or more but less than two years	207,563	210,000
Amounts due in two years or more but less than five years	719,573	793,000
Amounts due in more than five years	8,357,173	8,522,513
	<u>9,509,957</u>	<u>9,779,515</u>
Less: Amount shown in Current Liabilities	225,648	254,002
	<u>9,284,309</u>	<u>9,525,513</u>
Derivative Financial Instruments		
Amounts due in one year or more but less than two years	77,322	-
Amounts due in two years or more but less than five years	-	119,538
Amounts due in more than five years	365,203	390,188
	<u>442,525</u>	<u>509,726</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 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. STATEMENT OF CASH FLOWS

<i>Reconciliation of operating surplus to balance as at 31 march 2017</i>	2017 £	2016 £
Operating Surplus	853,021	834,410
Depreciation	1,043,600	1,020,285
Amortisation of Capital Grants	(806,226)	(711,051)
Change in debtors	115,750	865,255
Change in creditors	(151,468)	234,876
Unwinding of Discount on Financial Instruments	(2,973)	(2,859)
Balance as at 31 March 2017	<u>1,051,685</u>	<u>2,240,904</u>

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. DEFERRED INCOME	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Properties £	Total £
Social Housing Grants				
Balance as at 1st April 2016	31,239,880	1,159,240	713,750	33,112,870
Additions in the year	-	261,145	-	261,145
Transferred	994,694	(942,759)	(51,935)	-
Eliminated on disposal	(147,201)	-	(28,667)	(175,868)
Balance as at 31st March 2017	<u>32,087,373</u>	<u>477,626</u>	<u>633,148</u>	<u>33,198,147</u>
Amortisation				
Balance as at 1st April 2016	8,972,592	-	287,671	9,260,263
Amortisation in year	737,167	-	34,726	771,893
Transferred	21,597	-	(21,597)	-
Eliminated on disposal	(147,201)	-	(28,667)	(175,868)
Balance as at 31st March 2017	<u>9,584,155</u>	<u>-</u>	<u>272,133</u>	<u>9,856,288</u>
Net book value				
Balance as at 31st March 2017	<u>22,503,218</u>	<u>477,626</u>	<u>361,015</u>	<u>23,341,859</u>
Balance as at 31st March 2016	<u>22,267,288</u>	<u>1,159,240</u>	<u>426,079</u>	<u>23,852,607</u>
Other Grants				
Balance as at 1st April 2016	1,500,838	-	19,202	1,520,040
Transferred	547	-	(547)	-
Eliminated on disposal	(24,275)	-	(547)	(24,822)
Balance as at 31st March 2017	<u>1,477,110</u>	<u>-</u>	<u>18,108</u>	<u>1,495,218</u>
Amortisation				
Balance as at 1st April 2016	288,054	-	5,848	293,902
Amortisation in year	33,632	-	701	34,333
Transferred	208	-	(208)	-
Eliminated on disposal	(24,276)	-	(546)	(24,822)
Balance as at 31st March 2017	<u>297,618</u>	<u>-</u>	<u>5,795</u>	<u>303,413</u>
Net book value				
Balance as at 31st March 2017	<u>1,179,492</u>	<u>-</u>	<u>12,313</u>	<u>1,191,805</u>
Balance as at 31st March 2016	<u>1,212,784</u>	<u>-</u>	<u>13,354</u>	<u>1,226,138</u>
Total grants net book value as at 31 March 2017	<u>23,682,710</u>	<u>477,626</u>	<u>373,328</u>	<u>24,533,664</u>

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

	2017 £	2016 £
Amounts due within one year	806,226	711,051
Amounts due after more than one year	23,727,438	24,367,694
	<u>24,533,664</u>	<u>25,078,745</u>

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid

	£
At 1st April 2016	292
Issued in year	11
Cancelled in year	(19)
At 31st March 2017	<u>284</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.

20. HOUSING STOCK

The number of units of accommodation in management at the year end was:-

	2017 No.	2016 No.
General Needs - Built by Association	554	538
General Needs - Purchased by Association	13	13
Shared Ownership	21	24
	<u>588</u>	<u>575</u>

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. RELATED PARTY TRANSACTIONS

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

Those members who are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their position 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 is made at arm's length is under normal commercial terms.

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

	£
Rent and factoring received from Tenants on the Committee and their close family members	19,562

At the year end total rent arrears and factoring owed by the tenant members of the Committee (and their close family) were £32

Members of the Committee who are tenants 5

22. 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 .

23. CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

	2017	2016
	£	£
Opening Fair Value of interest rate swap	509,726	535,885
Change in fair value	(67,201)	(26,159)
Closing Fair Value of interest rate swap	442,525	509,726

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.

24. GOVERNING BODY MEMBER EMOLUMENTS

Board of Management members received £5,157 in the year by way of reimbursement of expenses. (2016 - £2,802). No remuneration is paid to Board of Management members in respect of their duties in the Association.

RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. INVESTMENTS

	2017 £	2016 £
Investments in Subsidiaries		
As at 31st March 2017 & 31st March 2016	1	1

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

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

During the year, Rural Stirling Housing Association Limited recharged staff costs and overheads to Venachar Limited, amounting to £5,702 (2016 - £5,885) and charged lease rentals totalling £1,100 (2016 - £nil). At the year end the balance due from Venachar Limited to Rural Stirling Housing Association Limited was £1,628 (2016 - £6,297).

The aggregate amount of capital and reserves and the results of Venachar Limited for the year ended 31st March 2017 were as follows:

	2017 £	2016 £
Capital & Reserves	3,439	285
Profit for the year	3,154	284