

The Scottish Housing Regulator Housing (Scotland) Act 2010  
Registered number 183

**SHEETLESTON HOUSING ASSOCIATION LIMITED**  
**Report and Financial Statements**  
**For the year ended 31 March 2014**

Scott-Moncrieff  
business advisers and accountants



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**Registration information**

Financial Conduct Authority  
The Scottish Housing Regulator  
Scottish Charity Number  
Industrial and Provident Societies Act 1965  
Registered number SP1884RS  
Housing (Scotland) Act 2010  
Registered number 183  
SC 036687

Members, Executives and Advisers

<p><b>Registered Office</b> Helen McGregor House 65 Pettigrew Street Glasgow G32 7XR</p> <p><b>Auditor</b> Scott-Moncreiff Chartered Accountants 25 Bothwell Street Glasgow G2 6NL</p> <p><b>Bankers</b> Royal Bank of Scotland plc 1304 Duke Street Glasgow G31 5PZ</p> <p><b>Solicitors</b> T C Young LLP 7 West George St Glasgow G2 1BA</p> <p><b>Brodies LLP</b> 2 Blythswood Square Glasgow G2 4AD</p> <p><b>Tods Murray LLP</b> 33 Bothwell Street Glasgow G2 6NL</p>	<p><b>Management Committee</b> Annie McAllister (Chairperson) John Hastie (Vice-Chairperson) Mary Thomas (Secretary) Morag Allan Betty Finnen Nan Sangster Gillian Johnston Jemima Pryce Lesley Scofield James Tominey Tom McDonald Alex McWhinnie Mary Hain Margaret Russell Patrick McDonagh Grace Barbour (Appointed 18.9.2013) (Appointed 18.9.2013)</p> <p><b>Executive Officers</b> Chris Cunningham (Director) Jim Hempsey (Finance Manager) June Macfarlane (Housing Manager) Margaret Paton (Performance and Development Manager) Jannette Rawls (Corporate Services Manager) Joe Whitley (Maintenance Manager)</p>
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**Report of the Management Committee  
For the year ended 31 March 2014**

The Management Committee presents its report and audited financial statements for the year ended 31 March 2014.

**Principal Activity**

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

**Review of Business and Future Developments**

At the commencement of the 2013/14 financial year, the Association (SHA) adopted the following strategic objectives for the forthcoming and subsequent two years:

1. To improve the Association's service delivery and investigate the expansion and diversification of services following customer feedback.
2. To expand the housing stock of SHA through the development of houses.
3. To ensure the growth of the organisation is properly and adequately funded through robust financial planning.
4. To maintain all stock to a good standard through a sustainable programme of planned repairs and maintenance.
5. To achieve effective tenant involvement in the Association and engage fully with the community in all activities, especially the regeneration of the area.
6. To develop staff and the Management Committee as a fundamental resource to the organisation.
7. To work to achieve the housing standard for all stock.
8. To support the operation of existing Wider Action initiatives and encourage the investigation and development of new initiatives.
9. To continuously review the performance of the organisation, the risks of all activities, the organisational structure and ensure that all statutory requirements are met
10. To meet the standards set out in the Scottish Social Housing Charter.

Operational objectives to fit with these strategic objectives were also agreed and were reported on to the Committee at the end of each quarter.

In considering the progress made against these objectives, the following key achievements for the year can be noted:

- Shettleston Housing Association Limited was awarded Tenant Participation Champion of the Year 2013 by the Tenant Participation & Advisory Service (TPAS) in recognition of the work done by the Management Committee and staff involving tenants across all service areas.
- The Association acquired the former lighting building at the corner of Shettleston Road and Old Shettleston Road. Due to structural problems the building required demolition. The Association demolished the building at the end of May 2014. Work on developing a mural on the remaining gable tenement wall and landscaping of the ground is on-going.
- The Association successfully completed the Pettigrew Street Phase 2 development of 30 units. The development consists of townhouses and main door flats and is another successful achievement in the Association's regeneration of the area.
- A site start on the development of 24 mid-market rental units at Pettigrew Street was achieved in August 2013 and was completed in April 2014. These properties offer tenants on modest incomes access to good quality, affordable, rented accommodation and is the first such development in the East End of Glasgow.
- Phase 7 of the rehabilitation of the steel houses in Springboig was completed and Phase 8 should be completed by July 2014.

Report of the Management Committee (continued)  
For the year ended 31 March 2014

## Review of Business and Future Developments (continued)

- Securing £102,375 of ECO funding to support the insulation improvements in Springboig corner of Wellshot / Shettleston Road for a proposed development of 19 units for elderly clients.
- Grant funding of £301,684 for pre-contract site preparation of Carnyne Old Parish Church on the £3.2m tender and backcourt environmental project was completed in South Greenfield. Satisfaction surveys were carried out and feedback was positive. The completion of the works was marked by the installation of community artwork.
- The Association has successfully insulated 234 properties in the Steel Estate under Phase 1-5 of the contract with support of ECO funding. In order to complete Phases 6 & 7 the Association is investigating further funding opportunities.
- The Association completed a £1.3m programme to upgrade the backcourts of the interwar tenements transferred from GHA.
- Survey work was completed for window and bathroom upgrades in our tenement properties. A £921,000 window contract is due to begin in the east of Shettleston Road in May 2014. A £200,000 bathroom project is due to begin in Denbeck Street in April 2014.
- Our subsidiary company East End Housing Development Company acquired four properties for market rent.
- Upkeep moved into new premises better suited to its growing business. The service delivery has expanded from the original close cleaning and estate management to delivering a full trades service. The number of staff has grown from 5 in 2005 to 54 by March 2014.
- The Shettleston Energy Advice (SEA) project was launched in September 2012 following a successful bid for £190,000 funding from the Climate Challenge fund. The project employs two energy advisors with a target to provide advice to five hundred households in their own home during the duration of the project. To date the project has produced detailed information leaflets for different households' varying energy needs. Two volunteers joined the project and shadowed staff to gain experience. As a result, this led to a volunteer gaining full time employment. A successful Open day was held in Upkeep's Shettleston store to celebrate the first anniversary of the project and the community of Shettleston benefited from free expert Home Energy advice.
- The Shettleston Community Growing Project had its third successful growing season, including a Gala Day in partnership with SHA. In 2013 the project won a number of prestigious awards including STV's "Real Heroes" award, Evening Times "Streets Ahead" where they were double winners and the "Volunteer Friendly" Award which is given in recognition of an example of good practice. Cash for Kids gave funding which allowed additional activities for the children during the school holidays. The allotments, run and managed by a Committee of local people, transformed a redundant piece of ground to a community asset within 12 months. Two wider community events were held over the year, including a "Big Afternoon Tea" and a "Family Fun Day". The Growing Project continues to be a successful community controlled regeneration project in the Shettleston area.
- The Association invested in improvements to the Fuse premises, and has sought to support the youth project where appropriate. The SHA newsletter now carries a regular feature advertising and promoting the role of Fuse in our community. The project made a successful bid to the Heritage Lottery Fund, for a 2014 legacy project called "Walking Back to the Future", which will help put Shettleston on the map. The Scottish Government's Peoples and Communities fund also gave funding which allowed the creation of 3 new posts for Youth workers in the project.

## Review of Business and Future Developments (continued)

- The Association made a successful bid to the Big Lottery Fund's Investing in Communities and were awarded £374,000 in funding to provide a five year Money Advice Service. The grant will fund the employment of two Financial Inclusion Officers to work in the Association for the next 5 years. This will greatly benefit Shetleston residents with financial inclusion and income maximisation through access to appropriate and effective money advice. This will aid the Association in its strategy to help residents cope with the impact of welfare reform, benefits cuts and give residents access to IT skills to help them prepare for the future change to Universal Credit.
- The Allocation Policy was reviewed, to give priority to existing tenants who wished to move to a smaller property, as a result of the impact of the bedroom tax. A specific category was introduced to the letting quotas for 2013/14 to facilitate the moves. In 2013/14 twelve tenants moved under this letting quota. Grant money from the Big Lottery Awards was used to help tenants with removal costs and additional expenses.
- The Association will continue to expand and monitor our data base to prepare for Universal Credit which is programmed to commence within the next 3 years.
- The IT software upgrade was completed and the system went live in January 2014. Work will continue on the implementation of the new reporting modules.
- Our Supporting People extended service now offers support to 32 residents in the Association's sheltered complex and 55 residents in the wider community. An inspection was carried out by the Care Inspectorate, in March 2014, and the service received excellent grading. Verbal reports from GOC regarding the floating support service and change fund grants, identified all criteria had been met in relation to housing support services.
- The Facebook and Twitter sites have been promoted to reach a wider range of service users during 2013/14 with a total of 622 connected as at 31 March 2014. The Association is posting news items and requesting feedback on issues and services on a daily basis.
- A new Equalities and Diversity policy was approved to ensure the Association continues to treat everyone with dignity and respect.
- A new "Looking after our Customers" leaflet was introduced explaining how we intend to communicate and interact with our tenants and other service users in key areas.
- The Association has made considerable progress in meeting the outcomes of the Social Housing Charter. The *How Well We Do* customer satisfaction feedback cards were first issued by the Association in July 2012 and in the first year of issue we received a total of 979 responses. Overall satisfaction was 94% with Association services, which is higher than our KPI target of 90%. The Association held a consultation event and published its Performance report in November 2013. The report was sent to all tenants, factored owners and SHA members. At the consultation event the Association received valuable feedback and assurance that our reporting appears right on track with our clients.
- Property was void an average of 17 days in 2013/14, (ARC 2014) below the annual KPI target of 20 days. Performance has consistently remained below target and as a result the Association has lowered the KPI for re-let period from a target of 20 to 18 days.
- All financial targets and covenant requirements were met, or improved on, during 2013/14.
- Current Tenant rent arrears, 3.67% (ARC 2014), was below the target of 5.60%. This result of reflects an intensive campaign of arrears control especially in trying to minimise the impact of the welfare reforms including the under occupancy reduction in housing benefit payments.

**Report of the Management Committee (continued)  
For the year ended 31 March 2014**

**Review of Business and Future Developments (continued)**

- The numbers and attendance on the Management Committee remained positive throughout 2013/14.

In addition to these main achievements, the Association carried out standard functions to ensure:

- all statutory compliance requirements were met on time;
- financial management was robust and audited; and
- sound and consistent governance by the governing body.

During the year the Association investigated the potential for developing a constitutional relationship with Tollcross Housing Association Limited. This work looked at whether creating some form of link could benefit tenants through savings or by being able to cap future rent increases. The conclusion of the work was that the benefits that may come from such a link were not as great as was originally thought and were insufficient to outweigh the loss of the Association's independence. Both Associations agreed that the matter should not be taken any further forward.

**Attainment Outstanding in 2013/14**

Although the Association met the majority of its targets and fulfilled its actions for 2013/14, there were a number of areas where work has either not been completed within the target timescales or performance was below target. The main issues where there has been a lack of attainment are detailed below:

- Gas safety checks have not been completed 100% within timescales throughout 2013/14, achieving only 99%;
- The target for rent loss from all voids as a percentage of gross rent was not met throughout 2013/14;
- Current tenant technical arrears as a percentage of gross rent failed to meet the target in the last quarter although total current tenant arrears improved throughout 2013/14;
- Staff absence due to sickness remained below target for most of 2013/14; it was only above target in the last quarter;
- The revision and updating of a number of policies was not complete;
- The detailed review of procedures continues to progress, covering all the functions of the Association, but has not been finalised;
- Performance in meeting void repair timescales for 15 day voids was not met; and
- Performance in meeting the 12 hour emergency repair timescale was below target at the start of the year; however the 100% target was achieved in the last two quarters.

Proposals to address all these outstanding issues are included in the actions for the year 2014/15.

The AGM was held in September 2013 and 5 members, having retired by rotation, offered themselves for re-election and were duly elected for a further term. In addition, the Association welcomed two new members to the Committee.

**Related Party Transactions**  
Some members of the Management Committee are tenants. Their tenancies are on the Association's normal tenancy terms and they cannot use their positions to their advantage.

**Disclosure of information to the auditor**  
To the knowledge and belief of each of the persons who are members of the Management Committee at the time the report is approved:

- So far as the Committee members are aware, there is no relevant information of which the Association's auditor is unaware, and
- He/she has taken all the steps that he/she ought to have taken as a Committee member in order to make himself/herself aware of any relevant audit information, and to establish that the Association's auditor is aware of the information.

**Internal Financial Controls**  
The Committee is responsible for the Association's system of internal financial control and has reviewed its effectiveness from information provided by management staff and from regular reports from the Association's internal auditors.

Any system can only provide reasonable and not absolute assurance against material misstatement or loss.

The financial control system within the Association is fundamentally simple and appropriate to the size and complexity of the organisation. It includes a combination of regular review of financial results compared with an agreed budget, authorisation of all expenditure by senior staff and Committee and an internal audit programme based on a previously carried out audit needs assessment.

**Statement of Management Committee's Responsibilities**

Housing Association legislation requires 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 income and expenditure of the Association for the year ended on that date. In preparing those financial statements the committee are required to:-

- \* Select suitable accounting policies and then apply them consistently;
- \* Make judgements and estimates that are reasonable and prudent; and
- \* Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association.

The Management Committee is 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.

**Auditor**  
A resolution to reappoint Scott-Moncrieff, Chartered Accountants, as auditor will be brought to the members at the Annual General Meeting.

**By order of the Committee**



Mary Thomas  
Secretary

Dated: 1 July 2014



**Report of the Auditor to the members of Shetleston Housing Association Limited**

We have audited the financial statements of Shetleston Housing Association Limited for the year ended 31 March 2014 which comprise the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective Responsibilities of the Management Committee and Auditor**

As explained more fully in the Statement of Management Committee's Responsibilities set out on page 6, the Management Committee is responsible for the preparation of financial statements which give a true and fair view.

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

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2014 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Industrial and Provident Societies Acts, 1965 to 2002, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2012 issued by the Scottish Housing Regulator.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts, 1965 to 2002 require us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

*Scott - Moncrieff*

Scott-Moncrieff  
Chartered Accountants  
Statutory Auditor  
25 Bothwell Street  
Glasgow  
G2 6NL

Dated: 1 July 2014

**Report of the Auditor to the Management Committee of Shetleston 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 paragraphs of the Internal Financial Control section within the SFHA's publication "Raising Standards in Housing". The objective of our review is to draw attention to non-compliance with those paragraphs of the Code, if not otherwise disclosed.

**Basis of Opinion**

We carried out our review having regard to Bulletin 2009/4 issued by the Auditing Practices Board. The Bulletin does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the Association's system of internal financial control or its corporate governance procedures.

**Opinion**

In our opinion, your statement on internal financial control on page 6 has provided the disclosures required by the Internal Financial Control section within the SFHA's publication "Raising Standards in Housing" and is not inconsistent with the information which came to our attention as a result of our audit work on the Financial Statements.

*Scott-Moncrieff*

Scott-Moncrieff  
Chartered Accountants  
Statutory Auditor  
25 Bothwell Street  
Glasgow  
G2 6NL

Dated: 1 July 2014

	Notes	2014 £	2013 £
<b>Turnover</b>	2	7,819,207	7,401,491
Operating costs	2	(6,181,587)	(5,964,290)
<b>Operating surplus</b>	2	1,637,620	1,437,201
Gain on disposal of fixed assets		153,481	57,149
Interest receivable and other income	5	23,540	21,207
Interest payable and similar charges	6	(843,334)	(728,269)
Gift aid	23	50,000	10,000
<b>Surplus for the year</b>		1,021,307	797,288

The results for the year relate wholly to continuing activities.

The notes form part of these financial statements

	2014	2013
	£	£
Retained surplus for the year	1,021,307	797,288
Actuarial loss recognised in the retirement benefit scheme (Note 19)	(30,000)	(42,000)
Total recognised gains and losses relating to the year	<u>991,307</u>	<u>755,288</u>

The notes form part of these financial statements

Balance Sheet  
As at 31 March 2014

	Notes	2014	2013
<b>Tangible fixed assets</b>			
Housing properties – cost less depreciation	9	88,357,407	80,758,666
Less SHG and other grants	9	(54,581,873)	(51,374,354)
Other fixed assets	9	33,775,534	29,384,312
		3,477,631	3,246,471
		37,253,165	32,630,783
<b>Investments</b>			
Investments in subsidiaries	10	2	2
<b>Current assets</b>			
Debtors due in less than one year	11	1,972,442	1,265,362
Debtors due in more than one year	11	406,578	230,891
Cash at bank and in hand		1,115,389	1,751,696
	12	3,494,409	3,247,949
		(1,350,879)	(2,498,350)
<b>Net current assets</b>		2,143,530	749,599
<b>Total assets less current liabilities</b>		39,396,697	33,380,384
<b>Creditors: amounts falling due within one year</b>			
Creditors: amounts falling due after more than one year	13	(24,600,000)	(19,600,000)
Retirement benefit scheme liability	19	(73,000)	(48,000)
<b>Net assets</b>		14,723,697	13,732,384
<b>Capital and reserves</b>			
Share capital	14	271	277
Designated reserves	7	6,732,831	6,842,268
Revenue reserve	8	8,063,076	6,937,332
Pension reserve	8	(73,000)	(48,000)
Capital redemption reserve		519	507
		14,723,697	13,732,384

The financial statements were authorised for issue by the Management Committee on 1 July 2014 and were signed on its behalf by:

Annie McAllister  
John Hastie  
Mary Thomas  
Secretary

Chairperson  
Vice-Chairperson

The notes form part of these financial statements

	2014	2013
Notes	£	£
Net cash inflow from operating activities	662,070	3,070,123
Returns on investments and servicing of finance	(823,794)	(713,062)
Capital expenditure	(5,474,589)	(4,395,567)
Financing	5,000,006	2,500,006
Decrease in cash	(636,307)	461,500

The notes form part of these financial statements

Notes to the Cash Flow Statement  
For the year ended 31 March 2014

	2014	2013
<b>1) Reconciliation of Surplus for year to Net Cash Inflow from Operating Activities</b>		
Operating surplus	1,637,620	1,437,201
Depreciation	1,005,688	913,576
(Increase) / decrease in debtors	(882,767)	(617,675)
(Decrease) / increase in creditors	(1,147,471)	1,339,021
Non cash FRS 17 pension movement in staff costs	(1,000)	(12,000)
Gift aid	50,000	10,000
	<u>662,070</u>	<u>3,070,123</u>
<b>2) Gross Cash Flows</b>		
<b>Returns on investments and servicing of finance</b>		
Interest received on deposits/loans to subsidiaries	19,540	15,207
Interest paid	(843,334)	(728,269)
	<u>(823,794)</u>	<u>(713,062)</u>
<b>Capital expenditure</b>		
Purchase and development of housing properties	(9,189,224)	(8,415,672)
SHG and other grants received	3,779,014	4,015,090
Sale of properties	365,511	78,467
HAG repayable on disposal	(73,614)	-
Payments to acquire other tangible fixed assets	(356,276)	(73,452)
	<u>(5,474,589)</u>	<u>(4,395,567)</u>
<b>Financing</b>		
Issue of ordinary share capital	5,000,000	2,500,000
Loans received	6	6
	<u>5,000,006</u>	<u>2,500,006</u>

Notes to the Cash Flow Statement  
For the year ended 31 March 2014

3) Analysis of Changes in Net Debt		At 31 March 2013	Cash Flow	At 31 March 2014
Cash in hand, at bank		1,751,696	(636,307)	1,115,389
Debt due within 1 year		1,751,696	(636,307)	1,115,389
Debt due after 1 year		-	(5,000,000)	(24,600,000)
		<u>(17,848,304)</u>	<u>(5,636,307)</u>	<u>(23,484,611)</u>

4) Reconciliation of Net Cash Flow to Movement in Net Debt (Note 3)		2014	2013
(Decrease)/increase for the year		(636,307)	461,500
Loan received		(5,000,000)	(2,500,000)
Change in net debt		(5,636,307)	(2,038,500)
Net debt at 1 April 2013		(17,848,304)	(15,809,804)
Net debt at 31 March 2014		<u>(23,484,611)</u>	<u>(17,848,304)</u>



1. Accounting policies

(a) Introduction and accounting basis

The principal accounting policies of the Association are set out in paragraphs (b) to (i) below.

The financial statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by registered social housing providers issued in 2010, and the Determination of Accounting Requirements 2012 issued by the Scottish Housing Regulator. The principal accounting policies are set out below.

(b) Going concern

The Management Committee anticipate that a surplus will be generated in the year to 31 March 2015 and the year to 31 March 2016. The Association has a healthy cash position and thus the Management Committee is satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus the Management Committee continue to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Turnover

Turnover represents rental and service charge income, factoring service income, and fees or revenue grants receivable from local authorities and from the Scottish Government. Also included is any income from first tranche shared ownership disposals.

(d) Loans

Mortgage loans are advanced by Private Lenders under the terms of individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments which have been given approval by The Scottish Government.

(e) Social Housing Grant (SHG)

Social Housing Grant, at amounts approved by the Scottish Government, is paid directly to the Association as required to meet its liabilities during the development process. SHG is repayable under certain circumstances primarily following the sale of property, but will normally be restricted to the net proceeds of sale.

SHG received as a contribution towards the capital cost of a housing development is deducted from the cost of the developments. SHG received as a contribution towards revenue expenditure is included in turnover.

(f) Fixed assets - Housing properties

Housing properties are stated at cost, less Social Housing Grants and other public grants and less accumulated depreciation. The development cost of housing properties includes:-  
1. Cost of acquiring land and buildings; and  
2. Development expenditure including administration costs.

Notes on the Financial Statements  
For the year ended 31 March 2014

1. Accounting policies (continued)

(f) Fixed assets – Housing properties (continued)

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value are included in the accounts for the year, provided that the dates of issue or valuation are prior to the year-end.

Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale. Any grants received that cannot be repaid from the proceeds of sale are abated.

(g) Depreciation

1. Housing properties are stated at cost, less social housing and other public grants and less accumulated depreciation. Each housing unit has been split between its major component parts. Each major component is depreciated on a straight line basis over its expected economic useful life. The following major components and useful lives have been identified by the Association:

Land	- not depreciated
Structure	- over 50 years
Heating	- over 15 years
Digital	- over 15 years
Kitchen	- over 15 years
Bathroom	- over 30 years
Doors	- over 30 years
Windows	- over 30 years
Cladding	- over 50 years
Roof	- over 50 years
Gutters	- over 30 years
Electrical	- over 30 years

2. Other fixed assets

Depreciation is charged on other fixed assets so as to write off the asset cost less any recoverable value over its anticipated useful life.

The following rates have been used:-

Computer Equipment	- 33% on cost
Furniture & Fittings	- 20% on cost
Office and Commercial Property	- 2% on cost

A full year's depreciation is charged in the year of purchase.

No charge is made in the year of disposal.

1. Accounting policies (continued)

(h) Designated Reserves (Note 7)

(i) Cyclical maintenance

The reserve is based on the Association's liability to maintain the properties in accordance with a planned programme of works, provided it will not be met from revenue in the year in which it is incurred.

(ii) Furniture Reserve

The reserve is based on the Association's requirement to furnish certain properties. The reserve represents amounts set aside in respect of future costs and will be transferred to the Revenue Reserve as appropriate.

(iii) SST Properties Reserve

The reserve comprises the dowry provided by Glasgow Housing Association as part of the second stage transfer. This dowry is a contribution towards the cost of the future major repairs and improvements expenditure which will be incurred by Shettleston Housing Association Limited to bring the stock transferred up to the requirements of the Scottish Housing Quality Standard. The major repairs and improvements expenditure is capitalised and thus the SST Properties Reserve is released to the Revenue Reserve in line with the depreciation rate in respect of these capital repairs and improvements.

(i) Apportionment of management expenses

Direct employee, administration and operating costs have been apportioned to the relevant sections of the Income and Expenditure Account on the basis of costs of staff directly attributable to the operations dealt with in the financial statements.

(j) Pensions (note 19)

Strathclyde Pension Fund

In accordance with 'FRS 17 – Retirement Benefits', the operating and financing costs of pension and post retirement schemes (determined by a qualified actuary) are recognised separately in the Income and Expenditure Account. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise.

The difference between actual and expected returns on assets during the year, including changes in the actuarial assumptions, is recognised in the Total Statement of Recognised Gains and Losses.

Scottish Housing Association Pension Scheme (SHAPS)

The Association contributes to a defined benefit scheme. It is not possible in the normal course of events for the actuary to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Scheme, and in line with FRS 17, the Scheme is accounted for as a defined contribution scheme, the cost of which is written off to the Income and Expenditure Account on an accruals basis. The assets of the scheme are held separately from those of the Association in an independently administered fund.

Notes on the Financial Statements  
For the year ended 31 March 2014

1. Accounting policies (continued)

(k) Financial Commitments

Assets held under finance leases where substantially all the risks and rewards of ownership of the asset have passed to the Association, and hire purchase contracts are capitalised in the Balance Sheet and are depreciated in the Income and Expenditure Account over the period of their useful lives.

Rentals paid under operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term.

(l) Lessor

The Association rents out commercial property under formal leases. The rental income is recognised within other activities (note 4) on an accruals basis.

**SHETTLESTON HOUSING ASSOCIATION LIMITED**

**Notes on the Financial Statements  
For the year ended 31 March 2014**

**2. Particulars of Turnover, Operating Costs and Operating Surplus**

	Turnover	2014 Operating Costs	Operating Surplus	Turnover	2013 Operating Costs	Operating Surplus
	£	£	£	£	£	£
<b>Income and Expenditure From lettings</b>						
Social Lettings (Note 3)	7,345,584	5,233,917	2,111,667	7,057,087	5,190,555	1,866,532
Other activities (Note 4)	473,623	947,670	(474,047)	344,404	773,735	(429,331)
	<u>7,819,207</u>	<u>6,181,587</u>	<u>1,637,620</u>	<u>7,401,491</u>	<u>5,964,290</u>	<u>1,437,201</u>

Notes to the financial statements  
For the year ended 31 March 2014

3. Particulars of turnover, operating costs and operating surplus from social letting activities

	General Needs Housing £	Supported Housing Accommodation £	Shared Ownership Accommodation £	2014 Total £	2013 Total £
<b>Income from rent and service charges</b>					
Rent receivable net of service charges	7,027,869	-	99,540	7,127,409	6,826,206
Service charges	289,682	-	7,452	297,134	291,315
<b>Gross income from rents and service charges</b>	<b>7,317,551</b>	<b>-</b>	<b>106,992</b>	<b>7,424,543</b>	<b>7,117,521</b>
<b>Less voids</b>	<b>(78,959)</b>	<b>-</b>	<b>-</b>	<b>(78,959)</b>	<b>(60,434)</b>
<b>Net income from rents and service charges</b>	<b>7,238,592</b>	<b>-</b>	<b>106,992</b>	<b>7,345,584</b>	<b>7,057,087</b>
Grants from the Scottish Ministers	-	-	-	-	-
Other revenue grants	-	-	-	-	-
<b>Total turnover from social letting activities</b>	<b>7,238,592</b>	<b>-</b>	<b>106,992</b>	<b>7,345,584</b>	<b>7,057,087</b>
<b>Expenditure</b>					
Management and maintenance administration costs	2,028,618	-	32,755	2,061,373	1,959,657
Service charges	665,568	-	9,838	675,406	611,677
Planned cyclical maintenance including major repairs	544,067	-	8,042	552,109	693,199
Reactive maintenance costs	855,648	-	12,644	868,292	927,598
Bad debts – rents and service charges	27,541	-	-	27,541	33,298
Depreciation of social housing	869,307	-	11,265	880,572	817,127
Property insurance	166,168	-	2,456	168,624	147,999
<b>Operating costs for social letting activities</b>	<b>5,156,917</b>	<b>-</b>	<b>77,000</b>	<b>5,233,917</b>	<b>5,190,555</b>
<b>Operating Surplus on letting activities, 2014</b>	<b>2,081,675</b>	<b>-</b>	<b>29,992</b>	<b>2,111,667</b>	
<b>Operating Surplus on letting activities, 2013</b>	<b>1,835,377</b>	<b>-</b>	<b>31,155</b>		<b>1,866,532</b>



	2014	2013
5. Interest Receivable and Other Income	£ 5,739	£ 4,267
	13,801	10,940
	4,000	6,000
	<u>23,540</u>	<u>21,207</u>
6. Interest Payable and Similar Charges	£ 843,334	£ 728,269
7. Designated Reserves	Opening Balance £ 1,412,079	Closing Balance £ 1,412,079
	Furniture Reserve 91,795	91,795
	SST Properties Reserve 5,338,394	5,228,957
	(109,437)	(109,437)
	(109,437)	6,732,831
8. Revenue Reserves	£ 2014	£ 2013
	6,889,332	6,089,552
	991,307	755,288
	7,880,639	6,844,840
	109,437	44,492
	<u>7,990,076</u>	<u>6,889,332</u>
	At 31 March 2014	At 31 March 2014
	Split as:	
	Revenue reserve (excluding pension reserve)	Revenue reserve (excluding pension reserve)
	8,063,076	6,937,332
	(73,000)	(48,000)
	<u>7,990,076</u>	<u>6,889,332</u>



**SHETTLESTON HOUSING ASSOCIATION LIMITED**

**Notes on the Financial Statements  
For the year ended 31 March 2014**

	Housing stock for let		Shared Ownership		Commercial Properties	Office Premises	Furniture & Fittings	Computer Equipment	Total
	Completed	Under Construction	Completed	Under Construction					
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At start of year	75,034,746	9,116,294	3,622,572	-	981,324	2,525,169	225,389	161,096	91,666,590
Additions during year	4,300,673	4,888,551	-	-	210,665	-	2,436	143,175	9,545,500
Transfers	7,085,063	(7,085,063)	-	-	-	-	-	-	-
Disposals	(634,235)	-	(147,860)	-	-	-	-	-	(782,095)
At end of year	85,786,247	6,919,782	3,474,712	-	1,191,989	2,525,169	227,825	304,271	100,429,995
<b>Depreciation</b>									
At start of year	6,669,263	-	345,683	-	70,579	189,443	225,389	161,096	7,661,453
Charge for year	869,307	-	11,265	-	20,937	43,529	2,436	58,214	1,005,688
Transfers	-	-	-	-	-	-	-	-	-
On disposals	(58,074)	-	(14,110)	-	-	-	-	-	(72,184)
At end of year	7,480,496	-	342,838	-	91,516	232,972	227,825	219,310	8,594,957
<b>SHG and other Grants</b>									
At start of year	44,455,287	3,704,938	3,214,129	-	-	-	-	-	51,374,354
Received during year	882,159	2,896,855	-	-	-	-	-	-	3,779,014
Transfers	2,836,162	(2,836,162)	-	-	-	-	-	-	-
Disposals	(440,306)	-	(131,189)	-	-	-	-	-	(571,495)
At end of year	47,733,302	3,765,631	3,082,940	-	-	2,292,197	-	-	54,581,873
<b>Net Book Value</b>									
At end of year	30,572,449	3,154,151	48,934	-	1,100,473	2,292,197	-	84,961	37,253,165
At beginning of year	23,910,196	5,411,356	62,760	-	910,745	2,335,726	-	-	32,630,783

Development Administration costs capitalised amount to £451,009 (2013: £410,475) for which Social Housing Grant of £nil (2013: £Nil) was received in the year.  
 £4,235,673 (2013: £287,698) of expenditure on new components was capitalised in the year. Eight units were sold via right to buy in the year as well as two shared ownership units for total proceeds of £365,511. The costs of the units were £563,087 with a net book value of £138,416 and HA/G repaid of £73,614.

Notes on the Financial Statements  
For the year ended 31 March 2014

10. Investments

	2014	2013
Investment in subsidiary undertakings	£ 2	£ 2

Shettleston Housing Association Limited owns 1 ordinary £1 share in Upkeep Shettleston Community Enterprises Limited. The investment is held at cost. This represents a 100% shareholding in Upkeep Shettleston Community Enterprises Limited. The investment is held at cost. This represents a 100% shareholding in Upkeep Shettleston Community Enterprises Limited, a company registered in Scotland, whose principal activity is the provision of estate caretaker services. Upkeep Shettleston Community Enterprises Limited made a profit of £24,986 (2013: £15,223) for the year ended 31 March 2014 and had net assets of £107,240 (2013: £82,254).

Shettleston Housing Association Limited owns 1 ordinary £1 share in East End Housing Development Company Limited. The investment is held at cost. This represents a 100% shareholding in East End Housing Development Company Limited, a company registered in Scotland. This company rents out property. East End Housing Development Company Limited made a profit of £287 (2013: £1,140) for the year ended 31 March 2014 and had net assets of £2,862 (2013: £2,575).

11. Debtors

	2014	2013
Amounts falling due within one year:		
Rental arrears	381,107	356,765
Less: provision for bad debts	(176,951)	(177,554)
Amounts owed by subsidiaries	204,156	179,211
Grant receivable	557,127	309,507
Other debtors and prepayments	1,197,428	599,832
Taxation recoverable	420,309	377,266
VAT Debtor	-	6,292
	-	24,145
	2,379,020	1,496,253

Included in amounts owed by subsidiaries is £406,578 (2013: £230,891) which is due in more than one year.

12. Creditors – Amounts falling due within one year

	2014	2013
Trade creditors	234,917	1,441,985
Amounts owed to subsidiaries	180,867	118,217
Other creditors	363,706	488,905
Rent in advance	245,057	258,163
Capital works and retentions	262,337	140,194
Other taxes and social security	52,614	50,886
VAT Creditor	11,381	-
	1,350,879	2,498,350

Notes on the Financial Statements  
For the year ended 31 March 2014

	2014	2013
<b>13. Creditors – Amounts falling due within one year</b>		
Loans:		
Due between one and two years	-	-
Due between two and five years	-	-
Due in five years or more	24,600,000	19,600,000
	<u>24,600,000</u>	<u>19,600,000</u>
Loans are secured by specific charges on the Association's properties and are repayable at varying rates of interest in instalments.		
<b>14. Share Capital</b>		
At beginning of year	277	295
Shares of £1 each fully paid and issued during the year	6	6
Shares forfeited in year	(12)	(24)
At end of year	<u>271</u>	<u>277</u>
<b>15. Directors' Emoluments</b>		
Each share entitles a member to one vote. There is no right to any distribution.		
The directors are defined as the members of the Management Committee, the Chief Executive and any other person reporting directly to the Chief Executive or the Management Committee. The Chief Executive's and Financial Manager's total emoluments exceeded £60,000 in the year. No emoluments were paid to any member of the Management Committee during the year.		
Emoluments (excluding pension contributions) of Chief Executive	£ 75,534	£ 74,698
The Chief Executive is an ordinary member of the Scottish Housing Association Pension Scheme (SHAPS) described in note 19. No enhanced or special terms apply to membership and he has no other pension arrangements to which the Association contributes. The Association's contribution for the Chief Executive in the year amounted to £13,123 (2013: £12,678). These contributions include past service deficit contributions.		

Number	2014	2013
Numbers of Directors whose emoluments exceed £60,000 during the year were as follows (excluding pension contributions):-	1	1
£60,001 - £65,000	1	1
£70,001 - £75,000	-	1
£75,001 - £80,000	1	-
The total emoluments (excluding pension contributions) for those earning more than £60,000 were £138,281 (2013: £137,053)		

Notes on the Financial Statements  
For the year ended 31 March 2014

16. Employee Information	
2014	2013
Number	Number
16	15
Housing	9
Maintenance	4
Development	6
Finance	6
Administration	5
Factoring	7
Housing Support	1
Wider Role	4
Welfare Rights	3
58	54
2014	2013
£	£
1,920,729	1,755,532
Wages and salaries	152,655
Staff costs (including directors' emoluments):	236,178
	(12,000)
	2,132,365
	2,329,689
2014	2013
£	£
1,005,688	913,576
Depreciation	10,500
Auditor's remuneration (excluding VAT)	1,500
- In their capacity as auditors	
- In respect of other services	
2014	2013
£	£
660,857	6,401,132
Contracted for but not provided in these accounts	
This is to be funded by:	
HAG	1,135,000
Private Finance	5,176,132
Other grants	90,000
660,857	6,401,132
Approved by the management committee but not contracted for	525,000
2014	2013
£	£
2,329,689	2,132,365
2014	2013
£	£
1,920,729	1,755,532
Staff costs (including directors' emoluments):	152,655
Wages and salaries	236,178
Social security costs	(12,000)
Pension costs	2,132,365
FRS 17 pension charge (Note 19)	2,329,689
2014	2013
£	£
1,005,688	913,576
Depreciation	10,500
Auditor's remuneration (excluding VAT)	1,500
- In their capacity as auditors	
- In respect of other services	
2014	2013
£	£
660,857	6,401,132
Contracted for but not provided in these accounts	
This is to be funded by:	
HAG	1,135,000
Private Finance	5,176,132
Other grants	90,000
660,857	6,401,132
Approved by the management committee but not contracted for	525,000

Notes on the Financial Statements  
For the year ended 31 March 2014

19. Pensions

Scottish Housing Association Pension Scheme (SHAPS)

Shettleston Housing Association Limited (the "Association") participates in the Scottish Housing Association Pension Scheme (SHAPS) (the "Scheme"). The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme and there are five benefit structures available, namely:

- (a) Final salary with a 1/60<sup>th</sup> accrual rate;
- (b) Career average revalued earnings with a 1/60<sup>th</sup> accrual rate;
- (c) Career average revalued earnings with a 1/70<sup>th</sup> accrual rate;
- (d) Career average revalued earnings with a 1/80<sup>th</sup> accrual rate;
- (e) Career average revalued earnings with a 1/120<sup>th</sup> accrual rate, contracted-in; and
- (f) Defined contribution (DC) option.

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. The DC option can be introduced by the employer on the first day of any month after giving a minimum of three months' prior notice. The Association operated the Final salary with a 1/60<sup>th</sup> accrual rate structure to 31 March 2014. From 1 April 2014, the members have transferred to a 1/70<sup>th</sup> CARE scheme or the DC scheme

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to an individual participating employer as the Scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total Scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the Scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer's contribution payable.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

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

During the accounting period, Shettleston Housing Association Limited paid contributions at the rate of 9.6%. Member contributions were 9.6%. A past service deficit contribution of £113,426 (2013: £109,058) was paid by the Association in the year ended 31 March 2014 in order to address the deficit that exists in the Scheme. The past service contribution for 2014/15 is £295,700.

As at the balance sheet date there were 33 active members of the Scheme employed by Shettleston Housing Association Limited. Shettleston Housing Association Limited continues to offer membership of the Scheme to its employees.

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

Notes on the Financial Statements  
For the year ended 31 March 2014

19. Pensions (continued)

Financial Assumptions

The financial assumptions underlying the valuation were as follows:-

Investment return pre-retirement	5.3
Investment return post retirement – Non pensioners	3.4
Investment return post retirement – Pensioners	3.4
Rate of salary increases	4.1
Rate of pension increases -pension accrued pre 6 April 2005	2.0
-pension accrued from 6 April 2005	1.7
( for leavers before 1 October 1993 pension increases are 5% )	
- Rate of price inflation	2.6

Mortality Tables used	
Non-pensioners	44% of S1PMA (males) and S1PFA (females) projected using CMI_2011 with a long term improvement of 1.50% p.a. for males and 1.25% p.a. for females
Pensioners	90% of S1PMA (males) and S1PFA (females) projected using CMI_2011 with a long term rate of improvement of 1.50% p.a. for males and 1.25% p.a. for females

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. An employer debt will arise if one of the following events occur at a time when the Scheme is not fully funded on a buy out basis:

- a) The commencement of winding up of the Scheme; or
- b) An employer becomes insolvent; or
- c) An Employee Cessation Event.

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

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

The Association has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2013. As of this date the estimated employer debt for the Association has been calculated as £7,395,081.

The Association does not intend to withdraw from the scheme and the trustee has confirmed that there is no intention to wind up the Scheme.

Notes on the Financial Statements  
For the year ended 31 March 2014

19. Pensions (continued)

Strathclyde Pension Fund

Sheltleston Housing Association Limited participates in the Strathclyde Pension Fund which is a statutory multi-employer defined benefit scheme. It is administered by Glasgow City Council in accordance with the Local Scheme (Scotland) Regulations 1998, as amended. Six members of staff are members of the Scheme.

The main financial assumptions used by the Council's Actuary, Hyman Robertson, in their 2014 FRS 17 valuations are as follows;

Assumptions as at	
31 March 2014	31 March 2013
Pension increase rate	2.8%
Salary increase rate	5.1%*
Expected return on assets	6.0%
Discount rate	4.3%
	2.8%
	5.1%*
	5.2%
	4.5%

\*Salary increases are assumed to be 1% per annum until 31 March 2015, reverting to the long term assumption shown above thereafter.

**Mortality**

Life expectancy for both current and future pensioners is based on the Fund's VitaCurves with improvement in line with 80% of the medium cohort lagged for 10 years and a 1% per annum underpin for males and a 0.75% underpin for females from 2011. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	21.0 years	23.4 years
Future Pensioners	23.3 years	25.3 years

Notes on the Financial Statements  
For the year ended 31 March 2014

## 19. Pensions (continued)

## Scheme assets

The assets in the scheme and the expected rate of return were:

	Long term rate of return 31 March 2014	Value at 31 March 2014 (£'000)	Long term rate of return 31 March 2013	Value at 31 March 2013 (£'000)
Equities	6.6%	743	5.7%	659
Bonds	3.7%	118	3.4%	121
Property	4.8%	69	3.9%	61
Cash	3.7%	49	3.0%	26
<b>Total</b>		<b>979</b>		<b>867</b>
Present value of scheme liabilities		(1,052)		(915)
<b>Net pension liability</b>		<b>(73)</b>		<b>(48)</b>

## Reconciliation of defined benefit obligation

Year Ended:

	31 Mar 2014 £(000)	31 Mar 2013 £(000)
<b>Opening Defined Benefit Obligation</b>	915	760
Current Service Cost	48	37
Interest Cost	42	37
Contributions by Members	13	11
Actuarial Losses/(Gains)	44	110
Past Service Costs/(Gains)	-	-
Liabilities Extinguished on Settlements	-	-
Liabilities Assumed in a Business Combination	-	-
Exchange Differences	-	-
Estimated Unfunded Benefits Paid	-	-
Estimated Benefits Paid	(10)	(40)
<b>Closing Defined Benefit Obligation</b>	<b>1,052</b>	<b>915</b>



Notes on the Financial Statements  
For the year ended 31 March 2014

19. Pensions (continued)

Reconciliation of fair value of employer assets  
Year Ended:

	31 Mar 2014	31 Mar 2013
<b>Opening Fair Value of Employer Assets</b>	867	736
Expected Return on Assets	46	43
Contributions by Members	13	11
Contributions by the Employer	49	49
Contributions in respect of Unfunded Benefits	-	-
Actuarial Gains/(Losses)	14	68
Assets Distributed on Settlements	-	-
Assets Acquired in a Business Combination	-	-
Exchange Differences	-	-
Estimated Unfunded Benefits Paid	-	-
Estimated Benefits Paid	(10)	(40)
<b>Closing Fair Value of Employer Assets</b>	<b>979</b>	<b>867</b>
<b>Net pension liability</b>	<b>(73)</b>	<b>(48)</b>

Analysis of amounts included in Income & Expenditure Account

	2014	2013
Expected return on pension scheme assets	£(000) 46	£(000) 43
Interest on pension scheme liabilities	(42)	(37)
Net Return – finance charge	4	6
<b>Current service cost</b>	<b>£(000) 48</b>	<b>£(000) 37</b>
Contribution by employers	(49)	(49)
Credit to staff costs	(1)	(12)

The expected Employer's contributions for the year to 31 March 2015 will be approximately £49,000.

Notes on the Financial Statements  
For the year ended 31 March 2014

19. Pensions (continued)

Analysis of amount recognised in Statement of Total Recognised Gains and Losses

	2014	2013
Actual return less expected return on scheme assets	14	68
Changes in assumptions underlying the present value of scheme liabilities	(44)	(110)
Actuarial loss recognised in statement of recognised gains and losses	(30)	(42)

The number of units of accommodation in management was as follows:-

	2014	2013
General Needs Housing	2,277	2,262
Supported Housing Accommodation	-	-
Shared Ownership Accommodation	47	49
<b>Units in Management</b>	<b>2,324</b>	<b>2,311</b>

21. Other property

The other property held by the Association was as follows:-

	2014	2013
Commercial units	11	10
Garages	16	16
Main Office	1	1
<b>Units in Management</b>	<b>28</b>	<b>27</b>

22. Legislative Provisions

The Association is incorporated under the Industrial and Provident Societies Act 1965.

Notes on the Financial Statements  
For the year ended 31 March 2014

23. Related Party Transactions

Upkeep Shetleston Community Enterprises Limited  
During the year, Shetleston Housing Association Limited incurred salary costs of £203,412 (2013: £203,225) on behalf of Upkeep Shetleston Community Enterprises Limited. This was recharged by the Association to Upkeep Shetleston Community Enterprises Limited.

Shetleston Housing Association Limited received £50,000 (2013: £10,000) in Gift Aid from Upkeep Shetleston Community Enterprises Limited.

Shetleston Housing Association Limited charged Upkeep Shetleston Community Enterprises Limited £10,000 (2013: £nil) for the rental of a commercial office property.

The balance owed to the Association by Upkeep Shetleston Community Enterprises Limited at 31 March 2014 was £145,996 (2013: £77,114). This is included within debtors at the year end.

Upkeep Shetleston Community Enterprises Limited provided services of £1,772,779 (2013: £1,546,584) in the year to Shetleston Housing Association Limited. These services included close and backcourt cleaning, void property clearance and environmental works. The balance owed by the Association to Upkeep Shetleston Community Enterprises Limited at 31 March 2014 was £180,867 (2013: £118,217).

East End Housing Development Company Limited  
Shetleston Housing Association Limited has another subsidiary, East End Housing Development Company Limited. The Association made loans to East End Housing Development Company Limited during the year totalling £175,687 (2013: £2,681) to fund the purchase of four investment properties and to finance modernisation work on existing investment properties. The balance owed to the Association at 31 March 2014 in respect of this and previous loans was £406,578 (2013: £230,891). Interest charged on these loans during the year was £13,801 (2013: £10,940).

Shetleston Housing Association collected rental income on behalf of East End Housing Development Company Limited during the year. This was paid over to East End Housing Development Company Limited throughout the year.

The balance owed to the Association at 31 March 2014 was £4,553 (2013: £1,502). This is included within amounts owed by subsidiaries in debtors.

24. Taxation

As a charity, Shetleston Housing Association Limited's charitable activities are not subject to taxation. However the surpluses from non-charitable activities are subject to taxation.

25. Post balance sheet event

On 22 April 2014, East End Housing Development Company Limited entered into a formal agreement to lease 24 mid-market rental properties from the Association. These properties will be rented out by East End Housing Development Company Limited to private tenants in 2014/15.

26. Revenue commitment

	2014	2013
Equipment Office	31,153	-
Equipment Office	-	-

Expiring in more than > 5 years

