Scott-Moncrieff
business advisers and accountants

TOLLCROSS HOUSING ASSOCIATION LIMITED

Report and Financial Statements

For the year ended 31 March 2015

TOLLCROSS HOUSING ASSOCIATION LIMITED

Report and Financial Statements
For the year ended 31 March 2015

Registration information

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered number 1798RS
The Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered number HCB197
Charity Number	SC040876

Members, Executive and Advisers

Committee of Management

Mr I Smith - Chairperson
Ms A Bell - Vice Chairperson
Ms E Skimins - Secretary
Mr W Dougan
Ms E Barrowman
Ms C Newton
Mrs A Phillips
Mr T Cleary
Mrs E Garscadden
Mrs P Anderson (resigned 17 August 2015)
Mr C Elliot
Ms E Stewart
Mr B McNally
Mr S Fleming
Ms G Wilson (co-opted 27 October 2014)

Executive Officers

Mr C Douglas	Chief Executive
Mr T Hastings	Finance Director
Mr F Donohoe	Technical Director
Mr M Byrne	Housing Director
Miss A Fitzsimons	Corporate Services Director

Registered Office

84 Braidfauld Street
Glasgow
G32 8PJ

Auditor

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

Bankers

Clydesdale Bank plc
865 Shettleston Road
Glasgow
G32 7NS

Solicitors

Brechin Tindal Oatts
Glasgow
G2 5HS

Report of the Management Committee
For the year ended 31 March 2015

The Committee of Management presents their report and the audited financial statements for the year ended 31 March 2015.

Principal activities

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

Review of business and future developments

The results for the year are set out in the income and expenditure account on page 7.

During the year to 31 March 2015, the Association has continued its main business of providing rented accommodation for people in housing need. The Association has also carried out a programme of maintenance and improvements to its properties.

In 2015/16 the Association will continue in its main business and will also seek opportunities in terms of development, wider action and other initiatives.

Changes in fixed assets

Details of fixed assets are set out in Notes 9 and 10.

The Committee of Management and Executive Officers

The Committee of Management and Executive Officers of the Association are listed on page 1.

Each member of the Committee of Management holds one fully paid share of £1 in the Association. The Executive Officers of the Association 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 Committee.

Report of the Management Committee
For the year ended 31 March 2015

Statement of Committee's responsibilities

Housing association legislation requires the Committee to prepare financial statements for each financial period 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 period 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;
* 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 a going concern basis unless it is inappropriate to presume that the association will continue in business.

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

The 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.

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.

Any system can only provide reasonable and not absolute assurance against material mis-statement 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 and authorisation of all expenditure by senior staff and Committee.

Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are members of the Board of 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 information, and to establish that the Association's auditor is aware of the information.

Auditor

A resolution to re-appoint Scott-Moncrieff, Chartered Accountants, as auditor will be put to the members at the annual general meeting.

By order of the committee

E Skimins.

MS E SKIMINS
Secretary

Dated: 31 August 2015

Report of the Auditor to the Members of Tollcross Housing Association Limited
For the year ended 31 March 2015

We have audited the financial statements of Tollcross Housing Association Limited for the year ended 31 March 2015 which comprise the income and expenditure account, statement of total recognised gains and losses, balance sheet, cash flow statement and related notes. The financial reporting framework that has been applied is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice - Accounting by Registered Social Housing Providers issued in 2010.

This report is made solely to the Association's members as a body, in accordance with Section 9 of 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 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 Committee of Management and auditor

As explained more fully in the Statement of Committee's responsibility set out on page 3, the Committee members are responsible for the preparation of the financial statements and for being satisfied that they 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/auditscopeukprivate.

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 2015 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice – Accounting by Registered Social Housing Providers issued in 2010;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2012 issued by the Scottish Housing Regulator.

Report of the Auditor to the Members of Tollcross Housing Association Limited
For the year ended 31 March 2015

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires 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: 31 August 2015

Report of the Auditor to the Management Committee of
Tollcross Housing Association Limited on Corporate Governance Matters
For the year ended 31 March 2015

In addition to our audit of the Financial Statements, we have reviewed your statements on page 3 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion
We carried out our review having regard to the requirements on corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion
In our opinion the Statement on Internal Financial Control on page 3 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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

Scott-Moncrieff

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

Dated: 31 August 2015

Income and Expenditure Account
For the year ended 31 March 2015

	Notes	2015 £	2014 £
Turnover	2	7,919,667	7,489,309
Less: Operating costs	2	6,104,812	6,060,168
Operating surplus	2	1,814,855	1,429,141
Gain on disposal of fixed assets		61,351	2,424
Interest receivable and other income	5	46,221	50,775
Interest payable and similar charges	6	(952,653)	(929,171)
Surplus on ordinary activities before taxation		969,774	553,169
Tax on surplus on ordinary activities	18	-	-
Surplus for the year		969,774	553,169

The results for the year relate wholly to continuing activities.

The notes on pages 13 to 29 form part of these financial statements

Statement of Total Recognised Gains and Losses
For the year ended 31 March 2015

	Note	2015 £	2014 £
Surplus for the year		969,774	553,169
Actuarial (loss) recognised in the retirement benefit pension scheme	20	(460,000)	(103,000)
Total surplus recognised since the last annual report		509,774	450,169

The notes on pages 13 to 29 form part of these financial statements

Balance Sheet
As at 31 March 2015

	Notes	2015 £	2014 £
Tangible fixed assets			
Housing properties – cost less depreciation	9	53,098,462	47,170,629
Less SHG and other grants	9	24,586,561	21,090,908
		28,511,901	26,079,721
Other fixed assets	10	298,674	184,987
		28,810,575	26,264,708
Current assets			
Debtors	11	341,251	422,911
Cash at bank and in hand		481,341	431,880
Cash held in deposit accounts		4,723,108	9,445,412
		5,545,700	10,300,203
Creditors: amounts falling due within one year	12	1,935,912	4,719,380
Net current assets		3,609,788	5,580,823
Total assets less current liabilities		32,420,363	31,845,531
Creditors: amounts falling due after more than one year	13	23,600,587	24,012,491
Defined benefit pension liability	20	758,000	281,000
Net assets		8,061,776	7,552,040
Capital and reserves			
Share capital	14	117	155
Designated reserves	7	1,346,000	1,346,000
Revenue reserve	8	7,473,659	6,486,885
Pension reserve	8	(758,000)	(281,000)
		8,061,776	7,552,040

The financial statements on pages 7 to 29 were authorised for issue by the Management Committee on 31 August 2015 and were signed on its behalf by:

Mr I Smith **Chairperson**

Ms A Bell A Bell **Vice Chairman**

Ms E Skimins E Skimins. **Secretary**

The notes on pages 13 to 29 form part of these financial statements

Cash Flow Statement
For the year ended 31 March 2015

	Notes	2015 £	2014 £
Net cash movement from Operating activities	1	256,165	5,906,953
Returns on investments and servicing of finance	2	(906,432)	(878,396)
Investing activities	2	(3,613,924)	(1,857,412)
		(4,264,191)	3,171,145
Management of liquid resources	2	4,722,304	(6,433,422)
Financing	2	(408,652)	2,587,020
Increase/(decrease) in cash	4	49,461	(675,257)

Notes to the Cash Flow Statement
For the year ended 31 March 2015

1) Reconciliation of Surplus for year to Net Cash Movement from Operating Activities

	2015 £	2014 £
Operating surplus	1,814,855	1,429,141
Depreciation	1,129,407	1,063,516
FRS 17 charge for the year	17,000	12,000
Loss on disposal of other fixed assets	-	1,998
Decrease/(increase) in debtors	81,660	(111,128)
(Decrease)/increase in creditors	(2,786,757)	3,511,426
	256,165	5,906,953

2) Gross Cash Flows

	2015 £	2014 £
Returns on investments and servicing of Finance		
Interest received	46,221	50,775
Interest paid	(952,653)	(929,171)
	(906,432)	(878,396)
Management of liquid resources		
Cash drawn from/(lodged in) business term deposits	4,722,304	(6,433,422)
	4,722,304	(6,433,422)
Investing activities		
Fixed asset purchases	(7,286,793)	(2,283,459)
HAG received	3,546,595	402,790
Sale of housing properties	149,294	40,375
HAG repaid and abated	(23,020)	(17,118)
	(3,613,924)	(1,857,412)

Notes to the Cash Flow Statement
For the year ended 31 March 2015

2) **Gross Cash Flows (contd)**	2015 £	2014 £
Financing		
Issue of shares	36	3
Shares forfeited	(74)	(7)
Loans (repaid)/acquired	(408,614)	2,587,024
	(408,652)	2,587,020

3) **Analysis of Changes in Net Funds**	At 31 March 2014 £	Cash Flow £	Other Changes £	At 31 March 2015 £
Cash in hand, at bank	431,880	49,461	-	481,341
Current asset investments	9,445,412	(4,722,304)	-	4,723,108
Debt due within 1 year	(408,614)	(3,289)	-	(411,903)
Debt due after 1 year	(24,012,491)	411,904	-	(23,600,587)
	(14,543,813)	(4,264,228)	-	(18,808,041)

4) **Reconciliation of Net Cash Flow to Movement in Net Funds (Note 3)**	2015 £	2014 £
Increase/(decrease) in cash in year	49,461	(675,257)
Cash flow increase/(decrease)	408,615	(2,587,024)
Cash (outflow)/inflow from increase in liquid resources	(4,722,304)	6,433,422
Change in net funds	(4,264,228)	3,171,141
Net funds at 1 April 2014	(14,543,813)	(17,714,954)
Net funds at 31 March 2015	(18,808,041)	(14,543,813)

Notes to the Financial Statements
For the year ended 31 March 2015

1. Accounting policies

(a) Introduction and accounting basis

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

These financial statements are prepared under the historical cost convention and in accordance with the Determination of Accounting Requirements 2012 issued by the Scottish Housing Regulator and the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2010.

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

(b) 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.

(c) Loans

Mortgage loans are advanced by Private Lenders or The Scottish Government 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. Mortgage loans in the balance sheet include amounts due but not received.

(d) 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 sale of property, but will normally be restricted to net proceeds of sale.

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

(e) Fixed assets - Housing properties

Housing properties are stated at cost, less social housing grants (SHG) and other public grants and less accumulated depreciation. The development cost of housing properties includes:-

1. Cost of acquiring land and buildings
2. Development expenditure including administration costs
3. Interest charged on the mortgage loans raised to finance the scheme
4. Amounts equal to acquisition and development allowances received
5. Administration costs relating to private finance

Notes to the Financial Statements
For the year ended 31 March 2015

1. **Accounting policies** (continued)

(e) Fixed assets - Housing properties (continued)

These costs are either termed "qualifying costs" by The Scottish Government for approved social housing grant schemes and are considered for mortgage loans by the relevant lending authorities or are met out of the Association's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value before retentions 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.

Interest is capitalised from first draw down of private finance according to the funding arrangements agreed by The Scottish Government. This will normally occur after SHG has been claimed up to the agreed limit.

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

(f) Depreciation

1. Housing properties

Each housing unit has been split between its major component parts. Each major component is depreciated on a straight line basis over its expected useful economic life. The following major components and useful lives have been identified by the Association:

Land	- not depreciated
Structure	- Over 50 years
Roof	- Over 50 years
Radiators	- Over 30 years
Windows	- Over 25 years
Kitchen	- Over 20 years
Bathroom	- Over 20 years
Boilers	- Over 15 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 at the following rates:-

Fixtures & Fittings	- 15% straight line
Office Property	- Over 15 years
Commercial Premises	- Over 10 years
Computer Equipment	- Over 3 years

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)

(g) **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) **Major Repairs**

The reserve is based on the Association's requirement to maintain housing properties in a state of repair which at least maintains their residual value in prices prevailing at the time of acquisition and construction. The reserve represents amounts set aside in respect of future costs and will be transferred to General Reserves as appropriate.

(h) **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.

(i) **Pensions (Note 20)**

Scottish Housing Association Pension Scheme (SHAPS)
The Association participates in the centralised Scottish Housing Association Pension Scheme (SHAPS) Defined Benefit Pension Scheme and retirement benefits to employees of the Association are funded by contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

The expected cost to the Association of pensions is charged to the Income and Expenditure Account so as to spread the cost of pensions over the service lives of the employees.

Strathclyde Pension Fund
The Association also has staff who are members of the 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 Statement of Total Recognised Gains and Losses.

2. Particulars of Turnover, Operating Costs and Operating Surplus/(deficit)

	2015			2014		
	Turnover	Operating Costs	Operating surplus/ (deficit)	Turnover	Operating Costs	Operating surplus/ (deficit)
	£	£	£	£	£	£
Income and Expenditure From lettings						
Social Lettings	7,814,951	(5,843,814)	1,971,137	7,420,094	(5,770,346)	1,649,748
Other activities	104,716	(260,998)	(156,282)	69,215	(289,822)	(220,607)
	7,919,667	(6,104,812)	1,814,855	7,489,309	(6,060,168)	1,429,141

Notes to the financial statements
For the year ended 31 March 2015

3. Particulars of turnover, operating costs and operating surplus/(deficit) from social letting activities

	General Needs Housing £	Supported Housing £	Shared Ownership £	Other £	2015 Total £	2014 Total £
Income from rent and service charges						
Rent receivable net of service charges	7,150,730	211,781	45,033	-	7,407,544	7,066,373
Service charges	237,807	-	-	-	237,807	221,879
Gross income from rents and service charges	7,388,537	211,781	45,033	-	7,645,351	7,288,252
Less voids	(32,402)			-	(32,402)	(59,310)
Net income from rents and service charges	7,356,135	211,781	45,033	-	7,612,949	7,228,942
Grants from the Scottish Ministers	-	-	-	-	-	-
Other revenue grants	28,294	173,708	-	-	202,002	191,152
Total turnover from social letting activities	7,384,429	385,489	45,033	-	7,814,951	7,420,094
Expenditure						
Management and maintenance administration costs	2,636,142	-	-	-	2,636,142	2,262,041
Service charges	420,062	-	-	-	420,062	444,002
Planned cyclical maintenance including major repairs	907,842	-	-	-	907,842	1,217,768
Reactive maintenance costs	743,429	-	-	-	743,429	729,260
Bad debts – rents and service charges	6,931	-	-	-	6,931	65,328
Depreciation of social housing	1,129,408	-	-	-	1,129,408	1,051,947
Impairment of social housing	-	-	-	-	-	-
Operating costs for social letting activities	5,843,814	-	-	-	5,843,814	5,770,346
Operating Surplus on letting activities, 2015	1,540,615	385,489	45,033	-	1,971,137	-
Operating Surplus on letting activities, 2014	1,226,601	377,342	45,805	-		1,649,748

Notes to the financial statements for the year ended 31 March 2015

4. Particulars of turnover, operating costs and operating surplus/(deficit) from other activities

	Grants from Scottish Ministers	Other revenue grants	Other income	Total Turnover 2015	Total Turnover 2014	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2015	Operating surplus / (deficit) 2014
	£	£	£	£	£	£	£	£	£
Wider role activities #		-	-	-	-	-	97,473	(97,473)	(95,948)
Care and repair of property	-	-	-	-	-	-			
Factoring	-	-	69,338	69,338	63,447	-	112,474	(43,136)	(100,944)
Development and construction of property activities	-	26,084	-	26,084	-	-	51,051	(24,967)	(29,483)
Care activities	-	-	-	-	-	-	-	-	-
Agency/management services for RSLs	-	-	-	-	-	-	-	-	-
Other agency / management services	-		-	-	-	-	-	-	-
Developments for sale to RSLs	-	-	-	-	-	-	-	-	-
Development and improvements for sale to non RSLs	-	-	-	-	-	-	-	-	-
Other activities	-	-	9,294	9,294	5,768	-	-	9,294	5,768
Total from other activities, 2015	-	26,084	78,632	104,716		-	260,998	(156,282)	-
Total from other activities, 2014	-	-	69,215		69,215	-	289,822		(220,607)

Undertaken to support the community, other than the provision, construction, improvement and management of housing

Notes to the Financial Statements
For the year ended 31 March 2015

	2015	2014
5. Interest Receivable and Other Income	£	£
Interest receivable on deposits	46,221	50,775

	2015	2014
6. Interest Payable and Similar Charges		
Other interest payable	952,653	929,171

7. Designated Reserves

	Opening Balance £	Transfer between Reserves £	Transfer to Revenue Reserve £	Transfer from Revenue Reserve £	Closing Balance £
Cyclical maintenance	320,000	-	-	-	320,000
Major repairs reserve	1,026,000	-	-	-	1,026,000
	1,346,000	-	-	-	1,346,000

8. Revenue Reserves including Pension Reserve	2015 £	2014 £
At 1 April 2014	6,205,885	5,755,716
Surplus for the year	969,774	553,169
Actuarial (loss) recognised in the retirement benefit pension scheme	(460,000)	(103,000)
At 31 March 2015	6,715,659	6,205,885
Split as follows:		
Revenue Reserve	7,473,659	6,486,885
Pension Reserve	(758,000)	(281,000)
At 31 March 2015	6,715,659	6,205,885

Notes to the Financial Statements
For the year ended 31 March 2015

9. Tangible Fixed Assets – Housing properties	Housing Properties Held for Letting	Housing Properties under construction	Shared Ownership Properties Held for Letting	Mortgage to Rent Properties	Total
Cost	£	£	£	£	£
At start of year	49,306,221	957,412	1,314,774	586,684	52,165,091
Additions during year	932,009	6,078,775	57,000	83,642	7,151,426
Disposals	(615,772)	-	-	(10,726)	(626,498)
Transfers	6,645,246	(6,482,581)	(162,665)	-	-
At end of year	52,267,704	553,606	1,209,109	659,600	58,690,019
Depreciation					
At start of year	4,909,430	-	64,528	20,504	4,994,462
Charge for year	952,952	-	3,644	7,854	964,450
On disposals	(365,653)	-	-	(1,702)	(367,355)
Transfers	4,346	-	(4,346)	-	-
At end of year	5,501,075	-	63,826	26,656	5,591,557
SHG and other Grants					
At start of year	19,094,033	605,503	1,082,446	308,926	21,090,908
Received during year	-	3,527,256	-	19,339	3,546,595
Repaid/abated during year	(50,942)	-	-	-	(50,942)
Transfers	3,844,780	(3,756,363)	(88,417)	-	-
At end of year	22,887,871	376,396	994,029	328,265	24,586,561
Net Book Value					
At 31 March 2015	27,878,758	177,210	151,254	304,679	28,511,901
At 31 March 2014	25,302,758	351,909	167,800	257,254	26,079,721

Total major repair costs during the year were £1,428,103 (2014: £2,082,566) of which £877,880 (2014: £1,267,040) was capitalised.

Of the amount capitalised £887,880 (2014: £1,267,040) related to replacement of components and £nil (2014: £nil) related to improvements.

Notes to the Financial Statements
For the year ended 31 March 2015

10. Tangible Fixed Assets - Other fixed assets

	Office Premises & lock ups	Fixtures Fittings & Equipment	Total
Cost	£	£	£
At start of year	361,328	228,443	589,771
Additions during year	90,951	44,416	135,367
Disposals	-	-	-
At end of year	452,279	275,859	725,138
Depreciation			
At start of year	184,655	220,129	404,784
Charge for year	1,240	20,440	21,680
On disposals	-	-	-
At end of year	185,895	240,569	426,464
Net Book Value			
At 31 March 2015	266,384	32,290	298,674
At 31 March 2014	176,673	8,314	184,987

11. Debtors

	2015	2014
	£	£
Rental debtors	265,087	227,835
Technical arrears	23,942	24,474
Provision for bad debts	(92,608)	(92,608)
	196,421	159,701
Prepayments and accrued income	81,532	155,859
Amounts due from owners	62,542	83,893
Other debtors	756	23,458
	341,251	422,911

12. Creditors – Amounts falling due within one year

	2015	2014
	£	£
Loans	411,903	408,614
Trade creditors	87,836	315,968
Accruals and deferred income	691,351	3,376,603
Other creditors	215,084	124,788
Other taxes and social security costs	42,194	59,949
Rents in advance	487,544	433,458
	1,935,912	4,719,380

Notes to the Financial Statements
For the year ended 31 March 2015

13. Creditors – Amounts falling due after more than one year

	2015	2014
Loans:	£	£
Housing Loans	23,600,587	24,012,491

Loans are secured by specific charges on the Association's properties and are repayable at varying rates of interest in instalments.

	2015	2014
	£	£
Between one and two years	431,773	428,403
Between two and five years	1,437,904	1,427,274
In five years or more	21,730,910	22,156,814
	23,600,587	24,012,491

14. Share Capital

	2015	2014
	£	£
At beginning of year	155	159
Shares of £1 each fully paid and issued during the year	36	3
Shares forfeited	(74)	(7)
Active shareholders at 31 March 2015	117	155

15. Directors' Emoluments

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 whose total emoluments exceed £60,000 per year. No emoluments were paid to any member of the Management Committee during the year.

	2015	2014
	£	£
Aggregate emoluments payable to directors (excluding Pension contributions and benefits in kind)	310,947	250,642
Emoluments payable to highest paid director (excluding pension contributions)	72,801	71,269
Pension contributions payable in respect of the highest paid director	8,930	6,813
Total expenses reimbursed to directors in so far as not chargeable to United Kingdom income tax	-	-
Number of Directors during the year were as follows (excluding pension contributions):		
£50,001 - £55,000	-	-
£55,001 - £60,000	3	1
£60,001 - £65,000	1	2
£65,001 - £70,000	-	-
£70,001 - £75,000	1	1

Notes to the Financial Statements
For the year ended 31 March 2015

16. Employee Information

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

	2015 No	2014 No
Office staff	38	37
Wardens	1	1

	2015	2014
Staff costs (including directors' emoluments):		
Wages and salaries	1,399,888	1,368,566
Social security costs	115,962	119,641
Pension costs (Note 20)	315,061	172,212
	1,830,911	1,660,419

17. Operating Surplus

	2015	2014
Operating surplus is stated after charging:		
Depreciation	1,129,408	1,051,947
Auditor's remuneration		
- In their capacity as auditor	10,200	10,000
- In respect of other services	-	-

18. Taxation

There is no tax liability due as the Association is a registered charity.

19. Revenue Commitments

The Association has commitments under operating leases for the next year for leases expiring as follows:

	2015		2014	
	Land & buildings £	Other leases £	Land & buildings £	Other leases £
Within one year	-	-	-	-
Between two and five years	-	990	-	2,713
Over five years	-	-	-	-
	-	990	-	2,713

Notes to the Financial Statements
For the year ended 31 March 2015

20. Pensions

Scottish Housing Associations' Pension Scheme

Tollcross Housing Association Limited (the Association) participates in the Scottish Housing Associations' Pension Scheme (the "Scheme"). The scheme is funded and is contracted-out of the State Pension scheme.

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

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 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%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2014. Such a report is required by legislation for years in which a full actuarial valuation is not carried out.

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. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

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

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

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 2014. As of this date the estimated employer debt for the Association was £4,689,763.

Notes to the Financial Statements
For the year ended 31 March 2015

20. Pensions (continued)

The Scheme offers six benefit structures to employers, namely:

- Final salary with a 1/60th accrual rate.
- Career average revalued earnings with a 1/60th accrual rate.
- Career average revalued earnings with a 1/70th accrual rate.
- Career average revalued earnings with a 1/80th accrual rate.
- Career average revalued earnings with a 1/120th accrual rate, contracted in.
- Defined contribution (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 has elected to operate the Final salary with 1/60th accrual rate benefit option for active members and defined contribution or career average revalued earnings with a 1/70th accrual rate for new members from 1 April 2015.

During the accounting period the Association paid contributions at the rate of 12.3% of pensionable salaries. Employee contributions were 12.3%.

As at the balance sheet date there were 18 active members of the Scheme employed by the Association. The Association continues to offer membership of the Scheme to its employees.

The key valuation assumptions used to determine the assets and liabilities of the Scottish Housing Associations' Pension Scheme are:

2012 Valuation Assumptions	**% p.a.**
Investment return pre retirement	5.3
Investment return post retirement – non pensioners	3.4
Investment return post retirement – pensioners	3.4
Rate of salary increases	4.1
Rate of pension increases	
Pension accrued pre 6 April 2005 in excess of GMP	2.0
Pension accrued post 5 April 2005	
(for leavers before 1 October 1993 pension increases are 5.0%)	1.7
Rate of price inflation	2.6

Mortality Tables

Non-pensioners	44% of SP1MA (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 SP1MA (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.

Contribution Rates for Future Service (payable from 1 April 2014)	**%**
Final salary 1/60ths	24.6
Career average revalued earnings 1/60ths	22.4
Career average revalued earnings 1/70ths	19.2
Career average revalued earnings 1/80ths	16.9
Career average revalued earnings 1/120ths	11.4

Additional deficit contributions are payable from 1 April 2014 and will increase by 3% per annum each 1 April thereafter. Technical Provisions liabilities as at 30 September 2012 will be used as the reference point for calculating additional contributions.

Notes to the Financial Statements
For the year ended 31 March 2015

20. Pensions (continued)

Strathclyde Pension Scheme

As a result of the second stage transfer, 18 employees were transferred from Glasgow Housing Association Limited to Tollcross Housing Association Limited. Of these 18 employees, 11 are members of 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.

The main financial assumptions used by the Council's Actuary, Hymans Robertson, in their FRS 17 calculations are as follows:

Assumptions as at	31 March 2015	31 March 2014
Inflation / Pension Increase Rate	2.5%	2.9%
Salary increases	4.4%	5.2%
Expected Return on Assets	3.3%	6.0%
Discount rate	3.3%	4.3%

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI2012 model assuming current rates of improvement have peaked and will converge to a long term rate of 1.5% p.a. underpin for males and a 1.25% p.a. underpin for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	22.1 years	23.6 years
Future Pensioners	24.8 years	26.2 years

The following details relate to Tollcross Housing Association Limited and show the fair value of the assets, analysed over the main asset classes, together with the expected returns for each asset class.

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

	Long term rate of return 31 March 2015	Value at 31 March 2015 £000	Long term rate of return 31 March 2014	Value at 31 March 2014 £000
Equities	3.3%	1,108	6.6%	900
Government securities	3.3%	192	3.7%	142
Property	3.3%	162	4.8%	83
Cash	3.3%	15	3.7%	59
Total		1,477		1,184
Present value of scheme liabilities		(2,235)		(1,465)
Net pension liability		(758)		(281)

Notes to the Financial Statements
For the year ended 31 March 2015

20. Pensions (continued)

Reconciliation of defined benefit obligation

	31 Mar 2015 (£'000)	31 Mar 2014 (£'000)
Opening Defined Benefit Obligation	1,465	1,186
Current Service Cost	100	83
Interest Cost	65	56
Contributions by Members	21	21
Actuarial Losses	585	119
Past Service Costs / (Gains)	-	-
Liabilities Extinguished on Settlements	-	-
Liabilities Assumed in a Business Combination	-	-
Exchange Differences	-	-
Estimated Unfunded Benefits Paid	-	-
Estimated Benefits Paid	(1)	-
Closing Defined Benefit Obligation	2,235	1,465

Reconciliation of fair value of employer assets

	31 Mar 2015 £(000)	31 Mar 2014 £(000)
Opening Fair Value of Employer Assets	1,184	1,020
Expected Return on Assets	74	55
Contributions by Members	21	21
Contributions by the Employer	74	72
Contributions in respect of Unfunded Benefits	-	-
Actuarial Gains	125	16
Assets Distributed on Settlements	-	-
Assets Acquired in a Business Combination	-	-
Exchange Differences	-	-
Estimated Unfunded Benefits Paid	-	-
Estimated Benefits Paid	(1)	-
Closing Fair Value of Employer Assets	1,477	1,184
Net pension liability	(758)	(281)

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

	31 Mar 2015 £	31 Mar 2014 £
Actual return less expected return on scheme assets	(460,000)	(103,000)
Changes in assumptions underlying the present value of scheme liabilities	-	-
Actuarial (loss) recognised in statement of recognised gains and losses	(460,000)	(103,000)

Notes to the Financial Statements
For the year ended 31 March 2015

20. Pensions (continued)

Analysis of amounts included in Income & Expenditure Account

	2015	2014
	£000	£000
Expected return on pension scheme assets	74	55
Interest on pension scheme liabilities	(65)	(56)
Current service cost	(100)	(83)
Past service cost	-	-
Contribution by employers	74	72
(Debit) to staff costs	(17)	(12)

The cumulative amount of actuarial losses taken to the statement of total recognised gains and losses since the liability was incorporated into the financial statements is £758,000.

History of experience gains/(losses)

	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Scheme assets	1,477	1,184	1,020	804
Defined benefit liability	(2,235)	(1,465)	(1,186)	(874)
Deficit in Scheme	(758)	(281)	(166)	(70)
Experience adjustments on scheme assets	125	16	76	(32)
Experience adjustments as a % of scheme assets	8.5%	1.4%	7.5%	4.0%
Experience adjustments on scheme liabilities	(275)	-	-	-
Experience adjustments as a % of scheme liabilities	12.3%	-%	-%	-%

21. Housing Stock

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

	Units in Management 2015	2014
General needs	2,127	2,183
Shared ownership	23	25
Supported housing	58	58
	2,208	2,266

Notes to the Financial Statements
For the year ended 31 March 2015

22. Legislative Provisions

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014.

23. Related Party Transactions

The membership of the Management Committee at the Association is drawn from the local community, with some members also being tenants. Members of the Management Committee who are tenants receive no favourable treatment and such transactions are carried out at arms length.

24. Capital Commitments

	2015 £	2014 £
Contracted for but not provided in these accounts	2,470,267	5,955,029
This is to be funded by:		
HAG	-	3,250,000
Private Finance	-	2,705,029
Reserves	2,470,267	-
	2,470,267	5,955,029