

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

Registered Housing Association No. HCB 205

Financial Conduct Authority No. 1931R(S)

Charity No SC 035633

Registration Particulars:

Financial Conduct Authority

Co-operative and Community Benefits Societies Act 2014
Registered Number 1931 R(S)

Scottish Housing Regulator

Housing (Scotland) Act 2010
Registered Number HCB 205

Office of Scottish Charity Regulator

Charity and Trustee Investment Act (Scotland) 2005
Scottish Charity Number SC 035633

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

Members of Committee of Management

Chris Watson (Chairperson)	Claudia Ennemoser
Jan Carmichael (Vice Chairperson)	Elizabeth MacDonald
Kathy Clark	Pat McCarthy
Rae McCarthy (resigned 04/05/2016)	Linda Stevenson
Sharon Flynn	Mickey Bent (Co-opted 05/10/2016)
Linda Mimmagh	

Directors

Mr Ian Morrison	Chief Executive
Mrs Karen McQueen	Deputy Chief Executive and Secretary
Mr Andrew Reid	Financial Services Manager
Mr Jim Calderwood	Housing Manager
Mr J Gordon	Projects Manager

Registered Office: 1 Northinch Court
Glasgow
G14 0UG

Auditors: Haines Watts
1st Floor
24 Blythswood Square
Glasgow
G2 4BG

Principal Bankers: Bank of Scotland PLC
Uberior House, 1st Floor
11 Earl Grey Street
Edinburgh
EH3 9BN

Principal Solicitors: TC Young
7 West George Street
Glasgow
G2 1BA

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2017

The Committee of Management present their report and audited financial statements for the year ended 31 March 2017.

Principal activity

The principal activity of Whiteinch and Scotstoun Housing Association Limited (WSHA) is the provision of housing for let at rents affordable to the client groups for whom it intends to provide.

Our Strategic Aims

Whiteinch and Scotstoun Housing Association Limited has as its Strategic Aims:

Growth: Due to the downturn in development funding and locally high land values, opportunities for future new build projects are limited. The Association will however explore the feasibility of different types of funding approaches, while remaining open to any possible opportunities within the area of operation.

Diversification: Whiteinch & Scotstoun Housing Association will continue to be involved in Wider Role (that is, non-housing projects and activities) as it has for some years now. This includes such activities, as regeneration projects including welfare advice; environmental developments and Whiteinch Community Association/ Neighbourhood Centre support.

Consolidation: the Association is keenly aware that it is operating in a culture of continuous improvement. Consequently, the Association continues in developing and extending its performance management systems. In addition, WSHA belongs to a Quality and Efficiency Forum, made up of a variety of Registered Social Landlords with the aim of sharing experiences and comparing performance with a view to assisting continuous improvement.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2017 (continued)

Our vision is one of 'Aiming for High Quality Homes in a Desirable Environment'. Some of the main objectives which we think can help achieve this aim include:

- demonstrating innovation in housing design, where possible influencing the practice of others and helping to raise standards generally
- continuing our programmes of proactive repairs and planned replacements, designed to ensure the longevity of our houses and the comfort and security of tenants
- achieving continuous improvement in all the services we deliver, and achieving and maintaining high standards of business efficiency and effectiveness
- creating opportunities for significant levels of user involvement in what we do
- being recognised by regulators and strategic partners as delivering excellent performance

We see these as challenging objectives, which will change the way we deliver our core services of housing, housing support, advice, and consultancy. In particular, we seek to challenge what we currently do and look to improve, rather than simply carry on with existing patterns of work.

Business review

The Association made a surplus of £2,814,425 (2016: £1,521,475) during the year.

The Association continued with its investment in planned and cyclical works throughout 2016-2017. The total expenditure on planned and cyclical works expensed in the year amounted to £489,674 (2016: £578,625). The Association has not capitalised any of this expenditure.

Despite this expenditure WSHA is in a strong financial position with over £2m deposited as cash funds. WSHA continues to have a substantial major repair investment programme over the next five years. We have also provided substantial funds over the next five years to meet our commitments under the Energy Efficiency Standard for Social Housing. Cash surpluses will continue to be made, subject to our planned major repair programme over the next few years.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2017 (continued)

Members of Committee of Management

The Members of the Committee of Management of the Association during the year to 31 March 2017 were as follows:

Chris Watson (Chairperson)	Linda Mimmagh
Jan Carmichael (Vice Chairperson)	Claudia Ennemoser
Kathy Clark	Elizabeth MacDonald
Rae McCarthy (Resigned 04/05/2016)	Pat McCarthy
Sharon Flynn	Linda Stevenson
	Mickey Bent (Co-opted 05/10/2016)

Each member of the Committee of Management holds one fully paid share of £1 in WSHA. The executive officers of WSHA hold no interest in WSHA's share capital and although not having the legal status of "director" they act as executives within the authority delegated by the Committee.

Directors

The Directors of WSHA during the year to 31 March 2017 were as follows:

Mr Ian Morrison	Chief Executive
Mrs Karen McQueen	Deputy Chief Executive and Secretary
Mr Andrew Reid	Financial Services Manager
Mr Jim Calderwood	Housing Manager
Mr J Gordon	Projects Manager

Operational Review

1 Corporate Governance

WSHA has a Committee of Management who are elected by the members of the Association. (See below for details). It is the responsibility of the Committee to undertake the strategy, setting of policy and overall direction for the Association. They also monitor the operational activities of the Association. The members of the Committee of Management are unpaid.

The Executive Team of WSHA (as listed above) are responsible for achieving the strategy set and undertaking the operational activities in line with the policies set.

Our governing body is our Committee of Management, which is responsible to the wider membership. Committee of Management members serve in a voluntary capacity, and we recognise that this puts even more onus on us to ensure that we set and achieve high standards of professionalism in our work. We take governance very seriously, and, in light of the Scottish Housing Regulator's revised approach, are currently reviewing all policies related to this.

This report details issues that have arisen during the year relating to the main activities undertaken by WSHA.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2017 (continued)

2 Corporate Issues

Tenant involvement and participation is a major part of WSHA's Aims and Objectives, and we continue to review how WSHA involves tenants in its activities.

Performance Management

The Association is conscious that staff performance is the key to quality service delivery. In support of this, training needs are considered for all staff through the staff development system.

Best use of resources

We regularly conduct risk assessments, and take any action necessary to reduce or limit risk. We are continuing with a programme of major investment in our housing stock, which is by far our most costly asset. This includes carrying out major planned maintenance programmes to ensure that our properties are maintained to a high standard and can meet the current standards. We are updating our stock condition information, to ensure that our long-term financial planning reflects our future investment requirements. We continue with our programme of best value reviews, to look for efficiencies and economies in the way that we carry out business processes.

Services

We aim to deliver high quality services, and we set ourselves the goal of achieving continuous improvement in what we do. In our housing stock, we moved ahead with some major repairs that had become necessary, and introduced improved arrangements ensuring gas servicing is carried out on time.

Our rent arrears management improved, with clearer information to tenants. We continued to deliver many completed adaptations to existing properties, to meet the specific needs of our tenants.

3 Development Issues

The year just completed has not seen any new development activity. We have capitalised expenditure of £Nil (2016 - £Nil) during the year.

4 Housing Issues

Whiteinch continues to work on reducing the period of time taken to re-let or let new properties and to ensure that we maximize our effectiveness in housing people in need and reduce our costs. The rent loss due to empty properties was £41,064 (2016 - £40,327).

5 Finance and IT Issues

The Committee of Management approved a proposal for the Association to replace its data management system and entered into a contract with Capita for the provision of its Open Housing and Financial software the implementation of which was carried out during 2011-2012, with enhancements implemented during 2013-2016. The Association continues to invest in its ICT network during 2016-2017.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2017 (continued)

6 Component Accounting

WSHA adopted Component Accounting into its financial statements during 2011-2012 in compliance with the SORP 2010, and subsequently the SORP 2014 and FRS 102. Major Components (Note 1) of our buildings are identified and depreciated over specific economic life spans. Their replacement is then capitalised in the accounts as they occur.

7 Other Areas Risk Management Policy

The Committee have a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the Association faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Committee review the adequacy of the Association's current internal controls.

In addition, the Committee have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although this is not mandatory for the Association it should, as a public interest body, adopt these guidelines as best practice. Accordingly they have set policies on internal controls which cover the following:

- consideration of the type of risks the Association faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks concerned materialising;
- the Association's ability to reduce the incidence and impact on the business of risks that do materialise; and the costs of operating particular controls relative to the benefit obtained.
- clarified the responsibility of management to implement the Committee's policies and to identify and evaluate risks for their consideration.
- communicated that employees have responsibility for internal control as part of their accountability for achieving objectives.
- embedded the control system in the Association's operations so that it becomes part of the culture of the Association.
- developed systems to respond quickly to evolving risks arising from factors within the Association and to changes in the external environment.
- included procedures for reporting failings immediately to appropriate levels of management and the Committee together with details of corrective action being undertaken.

8 Treasury Management

The Association has an active treasury management function, which operates in accordance with the Treasury Management Policy approved by the Committee of Management. In this way the Association manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held.

The Association, as a matter of policy, does not enter into transactions of a speculative nature. At 31 March 2017, the Association has a mix of fixed and variable rate finance, which it considers

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2017 (continued)

appropriate at this time.

9 Maintenance policies

The Association seeks to maintain its properties to the highest standard. To this end, programmes of cyclical repairs are carried out in the medium term to deal with the gradual and predictable deterioration of building components. It is expected that the cost of all these repairs would be charged to the Income and Expenditure account.

In addition, the Association has a long-term programme of planned maintenance to cover for works which have become necessary since the original development was completed, including works required by subsequent legislative changes. This includes replacement or repairs to features of the properties, which have come to the end of their economic lives. In line with the SORP 2014 and FRS 102, replacements to building components (as identified in Note 1) are capitalised in the accounts as they occur. All other major repairs are charged to the Income and Expenditure account.

10 Internal Financial Control

The Committee of Management is responsible for establishing and maintaining the Association's system of internal control. Internal control systems are designed to meet the particular needs of the Association and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The key procedures which the Committee of Management has established with a view to providing effective internal financial control are outlined on pages 10 and 11.

11 Management Structure

The Committee of Management has overall responsibility for the Association and there is a formal schedule of matters specifically reserved for decision by the Committee.

12 Quality and Integrity of Personnel

The integrity and competence of personnel are ensured through high recruitment standards and subsequent training courses. High quality personnel are seen as an essential part of the control environment and the ethical standards expected are communicated through the Chief Executive.

13 Budgetary Process

Each year the Committee of Management approves the annual budget and rolling five-year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Committee of variances from the budget, updated forecasts for the year together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure and treasury management.

14 Investment Appraisal

Capital expenditure is regulated by budgetary process and authorisation levels. For expenditure beyond

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2017 (continued)

specified levels, detailed written proposals have to be submitted to the Committee. Reviews are carried out during the development period, to monitor expenditure and performance.

15 Rental Income

The Association's Rent Policy is a points system based on the size, type and facilities of the accommodation. The policy ensures that the rent structure is easy to administer and covers the wide variations within the Association's properties. This policy follows the generally accepted practice/principles of the Housing Movement.

16 Employee Involvement and Health & Safety

The Association encourages employee involvement in all major initiatives.

17 Disabled Employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the Association may continue. It is the policy of the Association that training, career development and promotion opportunities should be available to all employees.

18 Credit Payment Policy

The Association's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The average payment period is thirty days.

19 Sales of housing properties

Properties are disposed of under the appropriate legislation and guidance. All costs, first tranche sales, 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 and the grants removed from the financial statements.

20 Future developments

The Association intends to continue with its policy of improving the quality of housing within its area of operation.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

REPORT OF COMMITTEE OF MANAGEMENT

31 MARCH 2017 (continued)

Information for the auditors

As far as the Committee members are aware there is no relevant audit information of which the auditors are unaware and the Committee members have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to ensure that the auditors are aware of any such information.

Auditors

Haines Watts have indicated their willingness to continue in office.

On behalf of the Committee of Management

Date: *21/06/2017*

Karen McQueen
Karen McQueen
Secretary

The Whiteinch Centre
1 Northinch Court
Glasgow
G14 0UG

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

STATEMENT OF COMMITTEE RESPONSIBILITIES

The Committee of Management is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under the legislation relating to Industrial and Provident Societies the Committee of Management are required 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 comprehensive income of the Association of that period. In preparing those financial statements the Committee of Management are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the RSL SORP;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Committee of Management is also responsible for:

- keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the RSL and enable them to ensure that the financial statements comply with the Co-operative and Community Benefits Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2014;
- safeguarding the Association's assets; and
- taking reasonable steps for the prevention and detection of fraud.

By order of the Committee of Management



Christopher Watson

Date: 21/06/2017

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

COMMITTEE OF MANAGEMENT'S STATEMENT OF INTERNAL FINANCIAL CONTROLS

31 MARCH 2017

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

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

It is the Committee of Management's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements include ensuring that;

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets.
- experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance.
- forecasts and budgets are prepared regularly which allow the Committee of Management and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising Committee of Management members and others.
- the Committee of Management review reports from management, from directors, staff and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association.
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

COMMITTEE OF MANAGEMENT'S STATEMENT OF INTERNAL FINANCIAL CONTROLS

31 MARCH 2017
(Continued)

The Committee of Management have reviewed the system of internal financial control in existence in the Association for the year ended 31 March 2017 and until the below date. No weaknesses were found in internal controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

By order of the Committee of Management



Christopher Watson

Date: 21/06/2017

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

**REPORT BY THE AUDITORS' TO THE MEMBERS ON CORPORATE GOVERNANCE
MATTERS**

Corporate Governance

In addition to the audit of the financial statements, we have reviewed the Board of Management's statement on pages 10 and 11 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 to corporate governance matters with 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 pages 10 and 11 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 enquiry of the Board of Management and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Committee of Management's Statement on 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.



Haines Watts
1st Floor
24 Blythswood Square
Glasgow
G2 4BG

Date: *2 June 2017*

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Whiteinch & Scotstoun Housing Association Limited for the year ended 31 March 2017 on pages 14 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Association's members as a body, in accordance with section 87 of the Co-operative and Community Benefits 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 the Committee and auditor

As explained more fully in the Committee's Responsibilities Statement set out on page 9, the Committee 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 APB's website at 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 2017 and of its income and expenditure for the year then ended; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefits Societies Act 2014, Schedule 7 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2014.

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 Benefits 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 of the Association; or
- we have not received all the information and explanations we require for our audit.



Haines Watts
1st Floor, 24 Blythwood Square
Glasgow
G2 4BG
Date: *21 June 2017*

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

		2017	2016
	Notes	£	£
Turnover	2	6,102,199	6,428,334
Operating costs	2	<u>(4,832,821)</u>	<u>(5,035,763)</u>
Operating surplus	2	1,269,378	1,392,571
Profit on sale of fixed assets	4	81,470	309,448
Finance income		-	5,376
Finance charges	5	<u>(216,424)</u>	<u>(185,920)</u>
Surplus on ordinary activities before tax		1,134,424	1,521,475
Taxation	6	-	-
Surplus for the year	7	<u>1,134,424</u>	<u>1,521,475</u>
Other comprehensive income	12	1,680,000	-
Total comprehensive income for the year		<u>2,814,424</u>	<u>1,521,475</u>

All figures relate to continuing activities within the year.

The notes on pages 18 to 34 form part of these financial statements.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

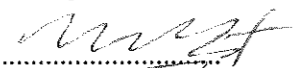
STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

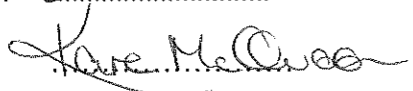
	Notes	2017	2016
		£	£
Property, plant & equipment			
Housing properties	8	29,660,360	27,786,479
Other fixed assets	8	620,423	562,316
		<u>30,280,783</u>	<u>28,348,795</u>
Current Assets			
Debtors	9	236,321	290,199
Cash at hand and in bank		2,402,475	2,898,660
		<u>2,638,796</u>	<u>3,188,859</u>
Current Liabilities			
Creditors due within one year	10	<u>(1,324,959)</u>	<u>(1,377,940)</u>
Net Current Assets/(Liabilities)		<u>1,313,837</u>	<u>1,810,919</u>
		<u>31,594,620</u>	<u>30,159,714</u>
Creditors due after one year	11	<u>(3,842,456)</u>	<u>(5,221,975)</u>
Net Assets		<u>27,752,164</u>	<u>24,937,739</u>
Capital and Reserves			
Share capital	14	56	55
Reserves	7	27,752,108	24,937,684
Net Funds		<u>27,752,164</u>	<u>24,937,739</u>

The notes on pages 18 to 34 form part of these financial statements.

These financial statements were approved by the Committee of Management and authorised for issue on 7.11.2017 and signed on their behalf by:

Committee Member: 

Committee Member: 

Secretary: 

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH 2017

Reconciliation of Equity	Called up share capital £	Revenue Reserve £	Revaluation Reserve £	Total Equity £
Balance at 31 March 2015 - Restated	54	5,918,445	17,497,764	23,416,263
Changes in equity	1	-	-	1
Total comprehensive income	-	1,521,475	-	1,521,475
Transfer from revaluation surplus to revenue reserve	-	487,787	(487,787)	-
Balance at 31 March 2016	55	7,927,707	17,009,977	24,937,739
Changes in equity	1	-	-	1
Total comprehensive income	-	2,814,424	-	2,814,424
Transfer from revaluation surplus to revenue reserve	-	487,787	(487,787)	-
Balance at 31 March 2017	56	11,229,918	16,522,190	27,752,164

The notes on pages 18 to 34 form part of these financial statements.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

YEAR TO 31 MARCH 2017

			2017	2016
	Note	£	£	£
Cash flows from operating activities				
Cash generated from operations	15	1,841,958		759,191
Tax paid		-		-
Net cash from operating activities			1,841,958	759,191
Cash flow from investing activities				
Cash paid for construction and purchases		(2,822,201)		(1,505,618)
Housing association grant received		577,031		337,793
Housing association grant repaid		-		-
Sales of housing properties		209,318		309,448
Purchase of other fixed assets		(97,369)		(37,014)
Net cash flow from investing activities			(2,133,221)	(895,391)
Cash flow from financing activities				
Finance income		-		5,376
Finance charges		(107,704)		(185,920)
Bank loans repaid		(97,222)		(92,651)
Increase in share capital		4		3
Net cash flow from financing activities			(204,922)	(273,192)
Increase/(decrease) in cash and cash equivalents			(496,185)	(409,392)
Cash and cash equivalents at the start of the year			2,898,660	3,308,052
Cash and cash equivalents at the end of the year			2,402,475	2,898,660

The notes on pages 18 to 34 form part of these financial statements.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2017

(Continued)

1. Accounting Policies

The Association is incorporated under the Co-operative and Community Benefits Societies Act 2014 and is registered by The Financial Conduct Authority. The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and under the historical cost accounting rules. They comply with the Determination of Accounting Requirements 2014 and with the SORP 2014 - Statement of Recommended Practice for social housing providers

(a) Accounting Policies

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

(b) Finance

The financial statements have been prepared on the basis that the capital expenditure referred to in note 9 will be grant aided, funded by loans, met out of reserves, or from proceeds of sales.

(c) Mortgages

Mortgage loans and development overdrafts are advanced by private lenders under the terms of the 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 for Housing Association Grant.

(d) Housing Association Grants

Housing Association Grants (HAG) were utilised to reduce the amount of mortgage loan in respect of an approved scheme to the amount, which it is estimated can be serviced by the net annual income of the scheme. The amount of HAG is calculated on the qualifying cost (note 1(f)) of the scheme in accordance with instructions issued from time to time by the grant awarding body.

HAG received in respect of the property, plant & equipment which was revalued and recognised at deemed cost at the transition date (see note 1) was credited to the statement of comprehensive income, in line with the performance model as required by SORP 2014.

HAG received, following the transition date, in respect of capital expenditure is credited to the comprehensive statement of income under the accruals method in line with the depreciation rates adopted for the underlying asset to which the expenditure relates.

(e) Housing Association Grant - Acquisition and Development Allowances Receivable

Acquisition and Development Allowances are intended to finance certain internal administrative costs relating to the acquisition and development of housing land and buildings for approved schemes. Development Allowances become available in instalments according to the progress of work on the scheme. These Allowances are credited to development costs when they are receivable.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2017

(Continued)

(f) **Property, plant & equipment - Housing Land and Buildings** (note 8)

Properties included in housing properties are stated at cost. The cost of such properties includes the following:

- (i) cost of acquiring land and buildings
- (ii) development expenditure including applicable overheads
- (iii) interest charged on the loans raised to finance the scheme
- (iv) cost of replacing components

These costs are either termed "qualifying costs" for approved HAG schemes and are considered for mortgage loans by the relevant lending authorities or they 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 financial statements for the year, provided that the dates of issue or valuations are prior to the year end.

Development costs are capitalised to the extent that they are attributable to specific schemes and where such costs are not excessive.

If expenditure does not qualify for HAG, it is nevertheless capitalised.

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

Interest on the loan financing the development is capitalised up to the relevant date of completion.

(g) **Depreciation**

(i) **Housing Properties**

Housing Properties are stated at cost less accumulated depreciation.

Depreciation is charged on a straight-line basis over the expected economic useful lives of each major component that makes up the housing property as follows;

Land	Not depreciated
Structure	Over 50 years
Roof	Over 50 years
Windows & Doors	Over 30 years
Bathrooms	Over 30 years
Kitchens	Over 15 years
Gas Systems inc Radiators	Over 30 years
Boilers	Over 15 years
Lifts	Over 30 years

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2017

(Continued)

(ii) **Other Fixed Assets**

The Association's assets are written off evenly over their expected useful lives as follows:

Office premises	-	over 50 years
Furniture, fittings & equipment	-	over 5 years

A full year's depreciation is charged on these assets in the year of purchase, but no charge is made in the year of disposal.

(h) **Impairment of Fixed Assets**

Reviews for impairment of housing properties are carried out on an annual basis and any impairment in an income-generating unit is recognised by a charge to the income and expenditure account. Impairment is recognised where the carrying value of an income-generating unit exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows from these units.

Impairment of assets would be recognised in the Statement of Income .

(i) **Reserves**

All of Association's comprehensive income is credited to its revenue reserve.

The unrealised net gains recognised in respect of the Association's property, plant & equipment recognised at deemed cost (note 1(t)) have been recognised as other comprehensive income and credited to the revaluation reserve. An annual transfer in respect of the depreciation of the revaluation surplus is transferred from the revaluation reserve to the revenue reserve.

(j) **Apportionment of Management Expenses**

Direct employee administration and operating costs have been apportioned to the Statement of Income on the basis of costs of the staff to the extent that they are directly engaged in each of the operations dealt with in those accounts.

(k) **Lease Obligations**

Rentals paid under operating leases are charged to the Statement of Income on the accruals basis.

(l) **Value Added Tax**

The Association is VAT registered. However, a large proportion of the income, namely rents, is exempt for VAT purposes and therefore gives rise to a partial exemption calculation. Expenditure as a result is shown inclusive of VAT.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2017

(Continued)

(m) **Pensions**

The Association participates in the centralised 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 Statement of Income as to spread the cost of pensions over the service lives of the employees.

In line with FRS 102, the Association recognises a liability in respect of its annual committed deficit reduction contributions, which are due to be repaid until [2027].

(n) **Sale of Housing Properties**

Properties are disposed of under the appropriate legislation and guidance. 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 and the grants removed from the financial statements.

(o) **Improvements**

In previous years, improvements were only capitalised where these result in an enhancement of the economic benefits of the property. Such enhancement can occur if the improvements result in:-

- an increase in rental income or
- a material reduction in future maintenance costs or
- a significant extension of the life of the property.

Works to existing properties, which fail to meet the above criteria, are charged to the Statement of Income.

The adoption of Component Accounting represented a change in accounting policy in 2013. Previously the major components of the Association's housing properties were deemed to be land and buildings. The major components are now deemed to be Land, Structure, Roofs, Windows, Kitchens, Bathrooms and Central Heating. Each component has a substantially different economic life and is depreciated over this individual life. Depreciation rates are shown in Note 1(g)(i). The accounting policy is compliant with the SORP 2014 and FRS 102.

(p) **Turnover**

Turnover represents rental income receivable from tenants which is billed monthly in arrears and it is at this point that income is recognised. Turnover is also represented by development administration and other income which is recognised when invoices are raised.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2017

(Continued)

(q) **Service Charges Recoverable**

Service charges represent income recoverable from tenants for factoring of the properties managed by the Association.

(r) **Statement of cash flows**

The statement of cash flows represents the cash transactions of the Association for the period from 1 of April 2016 to 31 March 2017. Cash and cash equivalents comprise cash on hand and in deposit and are subject to an insignificant risk of change in value.

(s) **Financial Instruments**

The Association only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(t) **Key judgements and estimates**

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

Estimation Uncertainty

Rent Arrears - Bad Debt Provision

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

Life Cycle of Components

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

Useful life of properties, plant and equipment

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

Key Judgements made in the application of Accounting Policies

a) *The Categorisation of Housing Properties*

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

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2017

(Continued)

b) *Identification of cash generating units*

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

c) *Break Clauses*

Following recent guidance from the Financial Reporting Council, the Committee are of the view that the clauses held within the loan agreements do not require these financial instruments to be classified as 'non-basic' financial instruments.

2. Particulars of turnover, operating costs, operating deficit

	Turnover £	Operating Costs £	Operating Surplus £	Operating Surplus/(Deficit) 2016 £
Social lettings	5,670,492	4,416,587	1,253,905	852,911
Other activities	431,707	416,234	15,473	539,660
Total	6,102,199	4,832,821	1,269,378	1,392,571
2016	<u>6,428,334</u>	<u>5,035,763</u>	<u>1,392,571</u>	

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2017

(Continued)

3a. Particulars of turnover, operating costs, operating deficit from social lettings

	General Needs Housing £	Shared Ownership Housing £	Supported Housing Accommodation £	2017 Total £	2016 Total £
Income from lettings					
Rent receivable net of identifiable service charges	5,005,106	-	396,913	5,402,019	5,203,568
Service charges receivable	269,627	-	18,356	287,983	301,102
Gross income from rents and service charges	5,274,733	-	415,269	5,690,002	5,504,670
Less voids	(41,064)	-	-	(41,064)	(40,327)
Net income from rents and service charges	5,233,669	-	415,269	5,648,938	5,464,343
Grant from Scottish Ministers Other Revenue Grant	21,554	-	-	21,554	10,013
Total turnover from social letting activities	5,255,223	-	415,269	5,670,492	5,474,356
Expenditure on Letting Activities					
Management and maintenance administration costs	1,860,266	-	156,052	2,016,318	1,983,534
Service costs	422,821	-	35,469	458,290	463,319
Planned and cyclical maintenance including major repairs	451,776	-	37,898	489,674	578,625
Reactive maintenance	565,550	-	47,442	612,992	734,994
Bad debts – rents and service charges	18,840	-	-	18,840	60,426
Depreciation of social housing	820,473	-	-	820,473	800,547
Impairment of social housing	-	-	-	-	-
Operating costs for social letting activities	4,139,726	-	276,861	4,416,587	4,621,445
Operating surplus for social lettings	1,115,497	-	138,408	1,253,905	852,911
2016	765,795	-	87,116	852,911	

The amount of service charges receivable on housing accommodation not eligible for Housing Benefit was £nil (2016 - £nil).

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2017
(Continued)

3b – Particulars of turnover, operating costs, operating deficit from other activities

	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other income £	Total Turnover £	Operating costs – bad debts £	Other operating costs £	Operating surplus or (deficit) £	2016 £
Wider action/wider role	62,002	64,292	-	-	126,294	-	184,016	(57,722)	(27,980)
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	210,032	210,032	-	210,032	-	-
Development and construction of property activities	-	5,817	-	-	5,817	-	5,817	-	-
Support activities	-	-	2,926	-	2,926	-	2,926	-	-
Care activities	-	-	-	-	-	-	-	-	-
Agency/management services for registered social landlords	-	-	-	-	-	-	-	-	-
Other agency/management services	-	-	-	16,833	16,833	-	13,444	3,389	6,019
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to non registered social landlords	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	69,806	69,806	-	-	69,806	561,622
Total from other activities	62,002	70,109	2,926	296,671	431,707	-	416,234	15,473	539,661
2016	198,033	4,867	2,630	748,449	953,979	-	414,318	539,661	

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2017
(Continued)

	2017	2016
	£	£
4. Sale of fixed assets		
Sale proceeds	215,242	318,000
Cost of sales	<u>(133,772)</u>	<u>(8,552)</u>
Gain on disposal	<u>81,470</u>	<u>309,448</u>

The sales of housing properties have occurred under the right to buy legislation, and shared ownership sales.

5. Finance charges

Loan interest payable	107,425	113,920
Less: Capitalised in housing properties	-	-
Interest on pension provision	<u>109,000</u>	<u>72,000</u>
	<u>216,425</u>	<u>185,920</u>

6. Taxation

The Association became a charity on 11 June 2004 and from that date is not taxable on its charitable activities.

7. Reserves

	2017	2016
	£	£
Revenue Reserve		
At 1 April 2016	7,927,707	5,918,445
Total comprehensive income	2,814,424	1,521,475
Transfer from revaluation reserve	487,787	487,787
At 31 March 2017	<u>11,229,918</u>	<u>7,927,707</u>

	2017	2016
	£	£
Revaluation reserve		
At 1 April 2016	17,009,977	17,497,764
Total comprehensive income	-	-
Transfer to revenue reserve	<u>(487,787)</u>	<u>(487,787)</u>
At 31 March 2017	<u>16,522,190</u>	<u>17,009,977</u>

	<u>27,752,108</u>	<u>24,937,684</u>
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WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2017

(Continued)

8. Property, plant & equipment

	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Completed Shared Ownership Properties £	Major Renewals Housing Properties Held for Letting £	Office Premises £	Furniture Fittings & Equipment £	Total £
Cost or Valuation							
At 1 April 2016	28,956,039	337,438	-	-	506,420	535,850	30,335,747
Additions during year	778,625	2,043,576	-	-	59,005	38,364	2,919,569
Transfers	337,438	(337,438)	-	-	-	-	-
Disposals in year	(127,847)	-	-	-	-	-	(127,847)
At 31 March 2017	<u>29,944,255</u>	<u>2,043,576</u>	<u>-</u>	<u>-</u>	<u>565,425</u>	<u>574,214</u>	<u>33,127,469</u>
Depreciation							
At 1 April 2016	1,506,998	-	-	-	20,000	459,954	1,986,952
Provided during year	832,202	-	-	-	14,234	25,027	871,463
Disposals	(11,729)	-	-	-	-	-	(11,729)
At 31 March 2017	<u>2,327,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,234</u>	<u>484,981</u>	<u>2,846,686</u>
Net book value							
At 31 March 2017	<u>27,616,784</u>	<u>2,043,576</u>	<u>-</u>	<u>-</u>	<u>531,191</u>	<u>89,233</u>	<u>30,280,783</u>
At 31 March 2016	<u>27,449,041</u>	<u>337,438</u>	<u>-</u>	<u>-</u>	<u>486,420</u>	<u>75,896</u>	<u>28,348,795</u>

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2017
(Continued)

8. **Property, plant & equipment (continued)**

Development administration costs capitalised amounted to £Nil (2016: £Nil). No interest has been capitalised. None of the Association's properties are held under a lease.

Housing Association Grants are repayable under certain circumstances, namely the sale of properties.

9. Debtors	2017	2016
	£	£
Amounts falling due within one year:		
Rents in arrears	143,645	119,513
Less bad debt provision	(73,376)	(82,132)
	<u>70,269</u>	<u>37,381</u>
Trade debtors	6,438	15,585
Prepayments and accrued income	61,974	72,570
Amounts owed by group undertakings	97,640	164,663
	<u>236,321</u>	<u>290,199</u>

10. **Creditors due within one year**

Loans	536,477	547,542
Trade creditors	213,293	274,820
Other creditors	278,611	287,862
Accruals and deferred income	219,767	183,320
Rents in advance	76,811	84,396
	<u>1,324,959</u>	<u>1,377,940</u>

11. **Creditors due after one year**

Deferred income	1,021,319	477,383
Other creditors	1,080,254	2,917,272
Loans	1,740,883	1,827,320
	<u>3,842,456</u>	<u>5,221,975</u>

Loans are secured by specific charges on the Association's properties. Loans are repayable at rates of interest of 1.395% to 5.44% (2016 – 1.395% to 5.44%) in instalments due as follows:

In one year or less	563,477	547,541
Between two and five years	393,569	356,066
In five years or more	1,347,314	1,471,254
	<u>2,277,360</u>	<u>2,374,862</u>

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2017
(Continued)

12. Employees	2017	2016
	£	£
Staff costs during year		
Wages and salaries	1,248,430	1,189,801
Social security costs	131,293	105,412
Other pension costs	<u>174,824</u>	<u>194,856</u>
	<u>1,554,547</u>	<u>1,490,069</u>
The average full time equivalent number of persons employed by the Association during the year were as follows	No	No
Administration and maintenance	<u>37</u>	<u>32</u>

The Directors are defined as the members of the Committee of Management, the Director and any other person reporting directly to the Directors or the Management Committee whose total emoluments including pension contributions exceed £60,000 per year.

	£	£
Emoluments payable to Highest Paid Director (excluding pension contributions)	<u>73,431</u>	<u>78,034</u>

The Association's pension contributions for the Director in the year amounted to £10,500 (2016 - £11,145).

During the current year, there was one director with emoluments, excluding pension contributions, over £60,000 (2016: three).

No member of the Committee of Management received any emoluments in respect of their services to the Association.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2017
(Continued)

12. Employees (contd) Pension Scheme - General

Whiteinch & Scotstoun Housing Association Limited participates in the Scottish Housing Associations' Pension Scheme.

The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted-out of the State Pension scheme.

The Scheme offers six benefit structures to employers, namely:

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

An employer can elect to operate different defined 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.

In September 2015, the Pension Scheme Trustees undertook their legally obligated triennial valuation of the SHAPs scheme. This was not signed off under late 2016 at which point the deficit contribution schedule was reduced in its time frame. This now expires in October 2026 which is roughly five years shorter than the previous plan. As such, a one off credit has been recognised through 'Other comprehensive income' for the benefit to the Association for this to the value of £1,680,000. This reflects the movement in the valuation from the work undertaken by the scheme actuaries.

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2017

(Continued)

	2017	2016
	£	£
13. Auditors' Remuneration		
The remuneration of the auditors (including expenses and excluding VAT for the year)	9,650	11,325
Remuneration of related parties to the auditors in respect of services other than those of external auditors	1,350	12,475
	<u>11,000</u>	<u>23,800</u>
14. Share Capital		
Shares of £1 fully paid and issued at beginning of year	55	54
Shares issued during year	4	3
Shares cancelled during year	(3)	(2)
Shares issued at end of year	<u>56</u>	<u>55</u>

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

	2017	2016
	£	£
15. Notes to the Cash Flow Statement		
(a) Reconciliation of operating surplus to net cash inflow from operating activities		
Operating surplus for the year excluding interest and tax payable	1,269,377	1,392,571
Depreciation	859,734	840,659
Amortisation of HAG	(21,554)	(10,013)
Cancellation of share capital	(3)	(2)
Decrease/(Increase) in debtors	53,879	51,402
Increase/(Decrease) in creditors	(48,779)	(1,312,426)
Increase/(Decrease) in pension provision	(270,696)	(203,000)
	<u>1,841,958</u>	<u>759,191</u>
(b) Reconciliation of net cash flow to movement in net debt		
(Decrease)/Increase in cash for the year	(496,185)	(409,392)
Loans received	-	-
Loan repayments	97,502	92,651
Change in net cash	(398,684)	(316,741)
Net debt as at 1 April 2015	523,798	840,539
Net debt as at 31 March 2016	<u>125,114</u>	<u>523,798</u>

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2017

(Continued)

15. Notes to the Cash Flow Statement (contd)

(c) Analysis of Changes in net debt

	As at 1 April 2016	Cash Flow	As at 31 March 2017
	£	£	£
Cash at bank and in hand	2,898,660	(496,186)	2,402,474
Bank overdrafts	-	-	-
Debt due within one year	(547,542)	11,065	(536,477)
Debt due after one year	(1,827,320)	86,437	(1,740,883)
	<u>523,798</u>	<u>(398,684)</u>	<u>125,114</u>

	2017 £	2016 £
16. Capital Commitments		
Expenditure authorised by the Committee of Management contracted less certified	<u>300,000</u>	<u>3,688,770</u>

17. Housing Stock	2017 No.	2016 No.
The number of units in Management at 31 March was as follows:		
General Needs Housing	1,197	1,198
Supported Housing Accommodation	101	101
Shared Ownership Accommodation	-	-
	<u>1,298</u>	<u>1,299</u>

18. Related parties

Various members of the Management Committee are tenants of the Association. The transactions with the Association are all undertaken on standard terms, as applicable to all tenants.

	2017	2016
Outstanding rental arrears	(364)	(559)
Amount received for rental payments	17,891	22,199

19. Associated companies

The Association, in conjunction with Whiteinch Community Association, formed Whiteinch Centre Limited a Association limited by guarantee and registered in Scotland. Each organisation can appoint two directors and one further director can be appointed with the agreement of both organisations. The principal activities of the Association is the provision of recreational, educational and training facilities or the

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2017

(Continued)

organisation of recreational, educational and training facilities with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended. Whiteinch Centre Limited will manage the community centre on behalf of both organisations.

The liability of the Association is limited to £1.

20. Subsidiary Association

On 8 April 2004 the Association incorporated a subsidiary Association Scotinch Services Limited, renamed WS Property Management Limited. This Association is intended to handle the activities that the Association will not be able to undertake as the Association has converted to a charitable status. The Association is a Association limited by shares and is registered in Scotland. Its issued share capital is £1.

The Association commenced trading in the prior period and its results in the previous financial year and financial position at 31 March 2017 were:

	2017	2016
	£	£
WS Property Management Limited		
Capital and reserves	42,188	30,081
Net profit/(loss)	12,108	9,956

The Financial Statements of the Association present information about it as an individual undertaking and n Group accounts have been prepared, on the basis that the activities of its subsidiary undertaking ar immaterial. The balance owed by WS Property Management at 31 March 2017 was £97,640 (2016: £164,663

WHITEINCH & SCOTSTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2017
(Continued)

21. Financial instruments

The carrying amounts of the Association's financial instruments are as follows:

	2017 £	2016 £
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
- Trade debtors (note 9)	76,707	52,965
- Amounts owed by group undertakings (note 9)	97,640	164,663
- Other debtors (note 9)	61,974	72,570
	236,321	290,198
Equity instruments measured at cost less impairment:		
- Fixed asset unlisted investments	-	-
- Current asset unlisted investments	-	-
	-	-
<i>Financial liabilities</i>		
Measured at amortised cost:		
- Bank loans and overdraft (notes 10-11)	2,277,360	2,374,862
- Trade creditors (notes 10)	213,293	274,820
- Amounts owed to group undertakings	-	-
- Other creditors (notes 10-11)	278,611	287,862
- Rent in advance	76,811	84,396
	76,811	84,396

The income, expenses, net gains and net losses attributable the Group's financial instruments are summarised as follows:

	2017 £	2016 £
<i>Income and expense</i>		
Financial assets measured at fair value	-	-
Financial liabilities measured at fair value	-	-
Financial assets measured at amortised cost	-	5,376
Financial liabilities measured at amortised cost	(216,425)	(185,920)
<i>Net gains and losses (including changes in fair value)</i>		
Financial assets measured at fair value	-	-
Financial liabilities measured at fair value	-	-
Financial assets measured at amortised cost	-	-
Financial liabilities measured at amortised cost	-	-

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through profit or loss was £Nil (2016: £5,376) and £216,424 (2016: £185,920) respectively.