



Williamsburgh

HOUSING ASSOCIATION

• Limited •

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Report and Financial Statements

For the year ended 31 March 2015

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Report and Financial Statements For the year ended 31 March 2015

	Page
Members of the Management Committee, Executives and Advisers	1
Report of the Management Committee	2-3
Report of the Auditor	4-5
Management Committee's Statement of Internal Financial Controls	6
Report by the Auditor to the Management Committee on Corporate Governance Matters	7
Income and Expenditure Account	8
Balance Sheet	9
Cash Flow Statement	10-11
Notes to the Financial Statements	12-27

Registration information

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered number 1991RS
The Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered number HAL207 Registered Scottish Charity No: SC035350

Committee of Management, Executives and Advisers

Committee of Management

M Symons	Chairperson
J Brown	
J Sharkey	
A Morrison	
D James	
L Mardones	
J Callaghan	
S Findlay	Resigned 03.12.14
C Fitzpatrick	
J Mackinnon	Removed 20.06.14
Y Kelly	Appointed 27.05.15
G Carberry	Appointed 25.03.15
M Nisbett	Appointed 03.09.14
S James	Appointed 03.12.14
S Luke	Appointed 25.03.15

Auditor

Scott-Moncrieff
25 Bothwell Street
Glasgow
G2 6NL

Bankers

The Royal Bank of Scotland plc
Paisley Chief Office
1 Moncrieff Street
Paisley PA3 2AW

Executives

G Williamson	Director/Secretary
J McBride	Finance Manager
L Ferrie	Housing Manager
O McMillan	Maintenance Manager
J Livingstone	Development Manager
S Gordon	Administration Officer

Solicitor

Cochran Dickie
21 Moss Street
Paisley PA1 1BX

Registered Office:

Ralston House
Cyril Street
Paisley
PA1 1RW

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

The Management Committee presents its 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 members of the Management Committee and the Association's Executive Officers are satisfied with the Association's performance during the year. The surplus for the year was £1,415,091 (2014: £1,469,921). Net assets stand at £23,032,391 (2014: £21,617,306).

The Association is recognised by HM Revenue & Customs as a charity, and qualifies for the tax exemptions provided by Part 11, Corporation Tax Act 2010.

The Management Committee and executive officers

The Management Committee and executive officers of the Association are listed on page 1.

Each member of the Management Committee holds one fully paid share of £1 each 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.

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;
- * Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business.

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

The Management Committee confirms that the financial statements comply with the above requirements.

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

Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are members of the Management Committee at the time the report is approved;

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

Corporate Governance

The Association has complied throughout the accounting period with the Code of Best Practice published by the Cadbury Committee on the Financial Aspects of Corporate Governance in 1992.

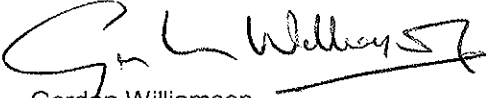
Charitable Donations

During the year, the Association made charitable donations amounting to £1,141 (2014: £810).

Auditor

The auditor, Scott-Moncrieff Chartered Accountants, at the forthcoming Annual General Meeting, offer themselves for re-appointment.

By order of the Management Committee


Gordon Williamson
Secretary

Dated: 30 July 2015

Report of the Independent Auditor to the Members of Williamsburgh Housing Association Limited

We have audited the financial statements of Williamsburgh Housing Association Limited for the year ended 31 March 2015 which comprise the income and expenditure account, the 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 87 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 the directors and the auditor

As explained more fully in the Statement of Committee's responsibilities statement set out on page 2, 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 ended;
- have been properly prepared in accordance with the 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 as issued by the Scottish Housing Regulator.

Report of the Auditor to the Members of Williamsburgh Housing Association Limited

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.

Group accounts Section 99(3) of the Co-operative and Community Benefit Societies Act 2014

We agree with the opinion of the Management Committee of the Association that it would be of no real value to the members of the Association to consolidate or include the accounts of the Association's subsidiary in group accounts required to be prepared under Section 98 of the Co-operative and Community Benefit Societies Act 2014 for the year ended 31 March 2015, because of the immaterial nature of the subsidiary transactions in the year.



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

Dated: 30 July 2015

**Management Committee's Statement of Internal Financial Controls
For the year ended 31 March 2015**

The Management Committee acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for 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 for publication;
- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use or disposition.

It is the Management Committee's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial 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, and annual appraisal procedures have been established to maintain standards of performance.
- Forecasts and budgets are prepared regularly, which allow the Management Committee and staff to monitor the key business risks and progress towards financial plans set for the year and medium term; regular management accounts are prepared timeously, providing relevant, reliable and up to date financial and other information and significant variances from budget are investigated where appropriate.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures.

The Management Committee reviews reports from the Director, staff and the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed.

Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Management Committee has confirmed the existence of the system of internal financial control in the Association for the year ended 31 March 2015.

By order of the Management Committee



James Brown
Committee Member

Dated: 30 July 2015

**Report of the Auditor to the Management Committee
Williamsburgh Housing Association Limited on Corporate Governance Matters**

In addition to our audit of the Financial Statements, we have reviewed your statements on pages 2-3 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.

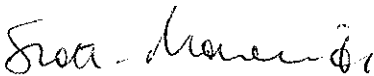
Basis of Opinion

We carried out our review having regard to the requirements to 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 6 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
Chartered Accountants
Statutory Auditor
25 Bothwell Street
Glasgow G2 6NL

Dated: 30 July 2015

**Income and Expenditure Account
For the year ended 31 March 2015**

	Notes	2015 £	2014 £
Turnover	2,3 & 4	5,930,068	5,823,501
Less: Operating costs	2,3 & 4	4,507,519	4,181,347
Operating surplus		<u>1,422,549</u>	<u>1,642,154</u>
Net gain/(loss) on disposal of fixed assets	5	44,197	(57,746)
Interest receivable and other income	6	24,930	29,646
Interest payable and similar charges	7	(76,585)	(144,133)
Surplus for the year		<u><u>1,415,091</u></u>	<u><u>1,469,921</u></u>

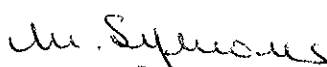
The results for the year relate wholly to continuing activities.

There were no recognised gains or losses other than those included in the income and expenditure account above.

Balance Sheet
As at 31 March 2015

	Notes	2015 £	2014 £
Tangible fixed assets			
Housing properties – gross cost	11	112,182,933	111,471,929
Less: grants	11	(84,533,038)	(85,061,124)
		<u>27,649,895</u>	<u>26,410,805</u>
Less: provision for depreciation	11	(6,058,801)	(5,305,877)
		<u>21,591,094</u>	<u>21,104,928</u>
Other fixed assets	12	<u>374,518</u>	<u>349,912</u>
Investments	13	<u>2</u>	<u>2</u>
		<u>21,965,614</u>	<u>21,454,842</u>
Current assets			
Debtors	14	272,634	453,243
Cash at bank and in hand	15	5,084,984	4,871,904
		<u>5,357,618</u>	<u>5,325,147</u>
Creditors: amounts falling due within one year	16	<u>(1,129,570)</u>	<u>(1,207,331)</u>
Net current assets		<u>4,228,048</u>	<u>4,117,816</u>
Total assets less current liabilities		<u>26,193,662</u>	<u>25,572,658</u>
Creditors: amounts falling due after more than one year	17	<u>(3,161,271)</u>	<u>(3,955,352)</u>
Net assets		<u><u>23,032,391</u></u>	<u><u>21,617,306</u></u>
Capital and reserves			
Share capital	18	115	121
Designated reserves	19	11,516,138	10,808,593
Revenue Reserve	20	11,516,138	10,808,592
		<u>23,032,391</u>	<u>21,617,306</u>

The financial statements on pages 8 to 27 were authorised for issue by the Management Committee on 30 July 2015 and were signed on its behalf by:


Margaret Symons
Chairperson


James Brown
Committee Member


James Callaghan
Committee Member

The notes on pages 12 to 27 form part of these financial statements

Cash Flow Statement
For the year ended 31 March 2015

	£	2015 £	£	2014 £
Net cash flow from Operating Activities		2,417,305		2,470,515
Returns on investments and servicing of finance				
Interest received	24,930		29,646	
Interest paid	(76,585)		(144,133)	
	<u> </u>		<u> </u>	
Net cash outflow from returns on investment and servicing of finance		(51,655)		(114,487)
Capital expenditure and financial Investment				
Acquisition and construction of Properties	(1,730,692)		(2,102,444)	
Purchase of other fixed assets	(67,634)		(235,527)	
Capital grants received	271,397		122,318	
Sale of Properties	176,329		-	
Sale of Other Fixed Assets	10,100		-	
	<u> </u>		<u> </u>	
Net cash outflow from capital expenditure		(1,340,500)		(2,215,653)
Net cash flow before use of liquid resources and financing		1,025,150		140,375
Financing				
Net Issue of share capital	(6)		(13)	
Loan principal repayments	(812,064)		(362,246)	
	<u> </u>		<u> </u>	
Net cash flow from financing		(812,070)		(362,259)
Increase/(decrease) in cash in the period		<u> </u> <u> </u>		<u> </u> <u> </u>
		213,080		(221,884)

Cash Flow Statement
For the year ended 31 March 2015

(i) Reconciliation of surplus for the year to net cash flow from operating activities

	2015	2014
	£	£
Operating surplus	1,422,549	1,642,154
Depreciation	873,925	878,033
Decrease/(increase) in debtors	180,609	(160,476)
(Decrease)/increase in creditors	(59,778)	110,804
	<u>2,417,305</u>	<u>2,470,515</u>
Net cash inflow from operating surplus	<u>2,417,305</u>	<u>2,470,515</u>

(ii) Analysis of changes in net liquid funds

	As at 31 March	Movement in	As at 31 March
	2014	year	2015
	£	£	£
Cash and bank balances	4,871,904	213,080	5,084,984
	<u>4,871,904</u>	<u>213,080</u>	<u>5,084,984</u>

(iii) Analysis of Changes in Net (Debt)/Cash

	At 31 March	Cash	At 31 March
	2014	Flow	2015
	£	£	£
Cash in hand, at bank	4,871,904	213,080	5,084,984
Overdraft	-	-	-
	<u>4,871,904</u>	<u>213,080</u>	<u>5,084,984</u>
Debt due within 1 year	(281,499)	17,983	(263,516)
Debt due after 1 year	(3,955,352)	794,081	(3,161,271)
	<u>635,053</u>	<u>1,025,144</u>	<u>1,660,197</u>
	<u>635,053</u>	<u>1,025,144</u>	<u>1,660,197</u>

(iv) Reconciliation of Net Cash Flow to Movement in Net Debt

	2015	2014
	£	£
Increase/(decrease) for the year	213,080	(221,884)
Net Loan repaid	812,064	362,246
	<u>1,025,144</u>	<u>140,362</u>
Change in net debt	1,025,144	140,362
Net cash at 1 April 2014	<u>635,053</u>	<u>494,691</u>
Net cash at 31 March 2015	<u>1,660,197</u>	<u>635,053</u>

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

1. Principal Accounting Policies

(a) Introduction and going concern

These financial statements are prepared in accordance with applicable accounting standards and statements of recommended practice, and comply with the requirements of the Determination of Accounting Requirements 2014 as issued by the Scottish Housing Regulator and the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2010.

The Association has shown a strong surplus year on year and the committee believes that the Association will carry on this trend for the foreseeable future. In addition to this, the Association has a strong net current assets position. The Management Committee have therefore adopted the going concern basis in preparing the financial statements.

(b) Basis of Accounting

The principal accounting policies of the Association are set out in paragraphs (c) to (o) below. The effect of events relating to the year ended 31 March 2015, which occurred before the date of approval of the financial statements by the Management Committee have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2015 and of the results for the year ended on that date.

(c) Turnover

Turnover represents rental and service charge income and fees or revenue grants receivable from local authorities and/or The Scottish Government.

(d) Finance

The financial statements have been prepared on the basis that the capital expenditure referred to in notes 11 and 12 will be grant aided, funded by loan or met out of reserves.

(e) Mortgages

Mortgage loans are advanced by The Scottish Government and financial institutions 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 for Social Housing Grant by the Scottish Government.

(f) 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.

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

1) Accounting policies (continued)

(g) Fixed assets - Housing properties

Housing land and buildings are stated at cost.

(h) Depreciation

Housing land and buildings

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

Land - not depreciated
Structure – over 50 years
Windows – over 30 years
Bathrooms – over 20 years
Pipework – over 12 years
Kitchen – over 15 years
Boilers – over 12 years
Roofs – over 40 years

Other fixed assets

Depreciation is charged by equal annual instalments at rates estimated to write off costs less any residual value over their expected useful lives.

The following rates have been used:

Fixtures & Fittings	- 15-20% per annum on cost
Vehicle	- 33% per annum on cost
Office premises	- 4-14% per annum on cost

(i) Development Administration Costs

Development administration costs relating to development activities are capitalised based on an apportionment of the staff time spent on this activity.

(j) Designated reserves

Major Repairs (Maintenance) Reserve

The maintenance reserve represents the Association's recognition of its responsibility 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 has been accumulated from amounts set aside in respect of future costs and will be transferred to the Revenue Reserve as appropriate.

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

1. **Accounting policies (continued)**

(k) 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.

(l) Pensions (Note 23)

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.

(m) Financial Commitments

Assets held under finance leases where substantially all the risks and rewards of ownership of the asset have passed to the Association, and hire purchase contracts are capitalised in the balance sheet and are depreciated in the income and expenditure account over the period of their useful lives.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

(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. Any grants received that cannot be repaid from the proceeds of sale are abated and the grants removed from the financial statements.

(o) Liquid resources

Liquid resources comprise of balances held in bank current and deposit accounts, and balances held on fixed term deposit.

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

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

Income and Expenditure From lettings	2015		2014	
	Turnover £	Operating Costs £	Turnover £	Operating Costs £
Social Lettings	5,624,990	4,140,128	5,526,506	3,875,883
Other activities	305,078	367,391	296,995	305,464
	<u>5,930,068</u>	<u>4,507,519</u>	<u>5,823,501</u>	<u>4,181,347</u>
		Operating Surplus/ (deficit) £		Operating Surplus/ (deficit) £
		1,484,862 (62,313)		1,650,623 (8,469)
		<u>1,422,549</u>		<u>1,642,154</u>

The Association does not have any Shared Ownership accommodation. There are no other accommodation types other than General Needs and Supported Housing.

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

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

	General Needs Housing £	Supported Housing £	2015 Total £	2014 Total £
Income from rent and service charges				
Rent receivable net of service charges	5,533,887	52,048	5,585,935	5,435,139
Service Charges	124,343	2,235	126,578	117,760
Gross income from rents and service charges	<u>5,658,230</u>	<u>54,283</u>	<u>5,712,513</u>	<u>5,552,899</u>
Less voids	143,523	-	143,523	90,359
Net income from rents and service charges	<u>5,514,707</u>	<u>54,283</u>	<u>5,568,990</u>	<u>5,462,540</u>
Grants from the Scottish Ministers	56,000	-	56,000	63,966
Total turnover from social letting activities	<u>5,570,707</u>	<u>54,283</u>	<u>5,624,990</u>	<u>5,526,506</u>
Expenditure				
Management and maintenance administration costs	1,917,492	18,685	1,936,177	1,785,244
Service charges	102,885	2,116	105,001	104,075
Planned and cyclical maintenance costs	323,657	563	324,220	357,164
Reactive maintenance costs	849,945	8,887	858,832	714,086
Bad Debt Provision Rent & Service Charges	84,180	820	85,000	67,000
Depreciation of social housing	822,697	8,201	830,898	848,314
Operating costs for social letting activities	<u>4,100,856</u>	<u>39,272</u>	<u>4,140,128</u>	<u>3,875,883</u>
Operating Surplus on letting activities, 2015	<u>1,469,851</u>	<u>15,011</u>	<u>1,484,862</u>	-
Operating Surplus on letting activities, 2014	<u>1,634,727</u>	<u>15,876</u>	-	<u>1,650,623</u>

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	Supporting people income	Other income	Total Turnover	Other operating costs	Operating surplus or (deficit)
	£	£	£	£	£	£	£
					2015	2014	2015
					£	£	£
					2015	2014	2015
					£	£	£
Wider role activities *	-	213,113	-	-	213,113	164,290	(53,097)
Care and repair of property	-	-	-	-	-	266,210	(34,394)
Factoring	-	-	-	-	-	-	-
Development and construction of property activities	-	-	-	-	-	-	-
Support activities	-	-	-	-	-	10,018	(10,018)
Care activities	-	-	-	-	-	-	-
Agency/management services for RSLs	-	-	-	90,465	90,465	91,163	(698)
Other agency / management services	-	-	-	-	-	-	-
Developments for sale to RSLs	-	-	-	-	-	-	-
Development and improvements for sale to non RSLs	-	-	-	-	-	-	-
Other activities	-	-	-	1,500	1,500	-	1,500
Total from other activities, 2015	-	213,113	-	91,965	305,078	367,391	(62,313)
Total from other activities, 2014	-	164,290	-	132,705	296,995	305,464	(8,469)

* 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

5. Disposal of fixed assets	2015	2014
	£	£
Other component disposals	(116,153)	(57,746)
Property disposals	150,250	-
Vehicle	10,100	-
	<u>44,197</u>	<u>(57,746)</u>
6. Interest receivable and similar income		
Bank interest receivable	<u>24,930</u>	<u>29,646</u>
7. Interest payable and similar charges		
On bank loans and overdrafts	<u>76,585</u>	<u>144,133</u>
8. Surplus for the year		
Surplus for the year is stated after charging:		
Depreciation	873,925	878,033
Auditor remuneration – audit fees	<u>9,650</u>	<u>9,650</u>

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

9. Directors' Emoluments

The directors are defined as the members of the Committee of Management, the chief executive and any other person reporting directly to the Chief Executive or the Committee of Management whose total emoluments exceed £60,000 per year. No emoluments were paid to any member of the Committee of Management during the year.

	2015	2014
	£	£
Aggregate emoluments payable to directors (including pension contributions and benefits in kind)	<u>97,002</u>	<u>85,656</u>
Total emoluments payable to the highest paid Director (excluding pension contributions) amounted to:	<u>73,649</u>	<u>71,846</u>
Total emoluments payable to the Chairperson (excluding pension contributions) amounted to:	<u>-</u>	<u>-</u>
	Number	Number
The numbers of Directors including the highest paid Director who received emoluments (excluding pension contributions) in the following ranges were:		
£70,000 - £79,999	<u>1</u>	<u>1</u>
	£	£
Total committee expenses reimbursed in so far as not chargeable to United Kingdom Income Tax	<u>1,824</u>	<u>1,654</u>

The Director is an ordinary member of the Association's pension scheme described in Note 23. No enhanced or special terms apply to membership and he has no other pension arrangements to which the Association contributes. The Association's contributions for the Director in the year amounted to £23,353 (2014: £13,810).

10. Employee Information

	2015	2014
	£	£
Salaries	1,219,358	1,165,517
Social security costs	107,428	103,419
Other pension costs	332,173	199,232
Temporary or agency staff	13,865	87,772
	<u>1,672,824</u>	<u>1,555,940</u>
The average monthly number of employees during the year was		
Administration and Maintenance	<u>34</u>	<u>32</u>

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

11. Tangible Fixed Assets - Housing properties

	Housing Properties Held for Letting £	Housing Properties under Construction £	Total £
Cost			
As at 31 March 2014	111,349,249	122,680	111,471,929
Additions	1,728,956	1,736	1,730,692
Disposals	(1,019,688)	-	(1,019,688)
As at 31 March 2015	<u>112,058,517</u>	<u>124,416</u>	<u>112,182,933</u>
Social Housing Grant			
As at 31 March 2014	80,667,290	-	80,667,290
Additions	-	-	-
Abated/repaid	(799,483)	-	(799,483)
As at 31 March 2015	<u>79,867,807</u>		<u>79,867,807</u>
Other Grants			
As at 31 March 2014	4,393,834	-	4,393,834
Additions	271,397	-	271,397
As at 31 March 2015	<u>4,665,231</u>		<u>4,665,231</u>
Accumulated depreciation			
As at 31 March 2014	5,305,877	-	5,305,877
Charge for the year	830,897	-	830,897
Disposals	(77,973)	-	(77,973)
As at 31 March 2015	<u>6,058,801</u>		<u>6,058,801</u>
Net Book Value			
As at 31 March 2015	<u>21,466,678</u>	<u>124,416</u>	<u>21,591,094</u>
As at 31 March 2014	<u>20,982,248</u>	<u>122,680</u>	<u>21,104,928</u>

Development administration costs capitalised in the year amounted to £Nil (2014: £20,348)

Total cost of components capitalised for the year amounted to £1,697,988 (2014: £2,102,444).

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

12. Tangible Fixed Assets - Other fixed assets

	Office Premises £	Office Vehicle £	Furniture & Fittings £	Total £
Cost				
At 31 March 2014	372,032	19,314	459,856	851,202
Additions during year	-	23,659	43,975	67,634
Disposals	-	(19,314)	(12,408)	(31,722)
	<u>372,032</u>	<u>23,659</u>	<u>491,423</u>	<u>887,114</u>
At 31 March 2015	372,032	23,659	491,423	887,114
Depreciation				
At 31 March 2014	344,717	16,095	140,478	501,290
Charge for year	7,056	3,219	32,753	43,028
On disposals	-	(19,314)	(12,408)	(31,722)
	<u>351,773</u>	<u>-</u>	<u>160,823</u>	<u>512,596</u>
At 31 March 2015	351,773	-	160,823	512,596
Net Book Value				
At 31 March 2015	<u>20,259</u>	<u>23,659</u>	<u>330,600</u>	<u>374,518</u>
At 31 March 2014	<u>27,315</u>	<u>3,219</u>	<u>319,378</u>	<u>349,912</u>

13. Investments

	2015 £	2014 £
Investment in subsidiary undertaking	<u>2</u>	<u>2</u>

During 2005/06 Williamsburgh Housing Association Limited acquired 2 ordinary £1 shares in Williamsburgh Property Services Limited. This represents a 100% shareholding in Williamsburgh Property Services Limited, a company registered in Scotland, whose principal activity is that of provision of factoring property services to owners.

Williamsburgh Property Services Limited commenced trading on 1 April 2006. As at 31 March 2015 the capital and reserves of Williamsburgh Property Services Limited were £2 with results for the period of £ nil.

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

14. Debtors – amounts receivable within one year	2015	2014
	£	£
Arrears of rent and service charges	351,015	370,706
Less: Provision for doubtful debts	(182,211)	(186,566)
	<u>168,804</u>	<u>184,140</u>
Grant receivable	-	128,080
Other debtors	4,682	10,788
Inter company balance	34,669	23,075
Prepayments and accrued income	64,479	107,160
	<u>272,634</u>	<u>453,243</u>
	<u><u>272,634</u></u>	<u><u>453,243</u></u>
15. Cash at bank and in hand		
Deposit accounts	4,948,144	4,695,080
Current accounts	136,675	176,637
Cash in hand	165	187
	<u>5,084,984</u>	<u>4,871,904</u>
	<u><u>5,084,984</u></u>	<u><u>4,871,904</u></u>
16. Creditors – Amounts falling due within one year		
Loans repayable within one year	263,516	281,499
Other taxes and social security costs	33,749	37,681
Owed to contractors	344,645	358,922
Rents and service charges in advance	317,624	249,622
Trade creditors	89,767	131,802
Sundry creditors and accruals	80,269	147,805
	<u>1,129,570</u>	<u>1,207,331</u>
	<u><u>1,129,570</u></u>	<u><u>1,207,331</u></u>

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

17. Creditors – Amounts falling due after one year	2015	2014
Housing loans	£	£
Due within one year	263,516	281,499
Due between one and two years	263,516	281,499
Due between three and five years	790,547	844,497
Due after five years	2,107,208	2,829,356
	<u>3,424,787</u>	<u>4,236,851</u>
Less: included in current liabilities above	(263,516)	(281,499)
	<u>3,161,271</u>	<u>3,955,352</u>

Bank loans are outstanding mortgages on housing properties where the rental income is sufficient to secure a loan and are repayable over thirty or thirty five years.

The loans are repayable by monthly instalments of principal and have either fixed or variable rates of interest. All loans are secured by standard securities over the title of the properties to which they relate.

18. Share Capital	2015	2014
	£	£
Shares of £1 each fully paid and issued as at 1 April 2014	121	134
Shares issued in year	3	4
	<u>124</u>	<u>138</u>
Shares cancelled in year	(9)	(17)
	<u>115</u>	<u>121</u>
As at 31 March 2015	<u>115</u>	<u>121</u>

All shares are non-withdrawable and do not carry any right to interest or dividend.

19. Designated Reserves	Maintenance Reserve Fund £	Total £
As at 31 March 2014	10,808,593	10,808,593
Transfer from Income & Expenditure A/c	707,545	707,545
	<u>11,516,138</u>	<u>11,516,138</u>
As at 31 March 2015	<u>11,516,138</u>	<u>11,516,138</u>

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

20. Accumulated Surplus	2015	2014
	£	£
As at 1 April 2014	10,808,592	10,073,632
Surplus for year	1,415,091	1,469,921
	<u>12,223,683</u>	<u>11,543,553</u>
Transfer (to) designated reserves	(707,545)	(734,961)
As at 31 March 2015	<u><u>11,516,138</u></u>	<u><u>10,808,592</u></u>
21. Housing Stock	2015	2014
The number of housing units in management as at 31 March 2015 was:		
New Build	610	611
Unimproved	5	28
Improved	994	978
Mortgage to Rent	4	3
General Needs Housing	<u>1,613</u>	<u>1,620</u>
Supported Housing	<u>13</u>	<u>13</u>
Total Units	<u><u>1,626</u></u>	<u><u>1,633</u></u>

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

22. 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	-	10,056	-	20,112
Between two and five years	-	-	-	-
Over five years	-	-	-	-
	<u>-</u>	<u>10,056</u>	<u>-</u>	<u>20,112</u>

23. Pensions

Williamsburgh Housing Association participates in the Scottish Housing Associations' Pension Scheme ('the Scheme'). The Scheme is a multi-employer defined benefit 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 an individual participating employer as the Scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total Scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the Scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Trustee commissions an actuarial valuation of the Scheme every three 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 with the value of 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. The funding update revealed an increase in the assets of the Scheme to £539 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £281 million, equivalent to a past service funding level of 66%.

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 buy-out 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.

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

23. Pensions (continued)

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 £7,542,836

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 benefit structures for their active members (as at the first day of April in any given year) and their new entrants. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

Williamsburgh Housing 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 6 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 S1PMA (males) and S1PFA (females) projected using CMI_2011 with a long term improvement of 1.50% p.a. for males and 1.25% p.a. for females	
Pensioners	90% of S1PMA (males) and S1PFA (females) projected using CMI_2011 with a long term rate of improvement of 1.50% p.a. for males and 1.25% p.a. for females	

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

23. Pensions (continued)

Contribution Rates for Future Service (payable from 1 April 2011)	%
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

Williamsburgh Housing Association has elected to operate the final salary with a 1/60th accrual rate benefit option for active members.

As at the balance sheet date there were 27 active members of the Scheme employed by Williamsburgh Housing Association. The annual pensionable payroll in respect of these members was £964,179.

24. Related Party Transactions

There are nine tenant members and four non-tenant members of the Management Committee. All four Committee Members who are non-tenants, one who is a representative of Renfrewshire Council, stay out with the Association's normal areas of operation but are interested in the work of the Association. All transactions with members of the Management Committee are carried out at arm's length. Williamsburgh Housing Association Limited provided agency services to Williamsburgh Property Services Limited during 2014/15. Costs of services provision were recharged to Williamsburgh Property Services Limited. During the period, costs amounting to £69,105 (2014: £67,117) were recharged to Williamsburgh Property Services Limited. £591 (2014: £338) was gift aided from Williamsburgh Property Services Limited to Williamsburgh Housing Association Limited. As at 31 March 2015, Williamsburgh Housing Association Limited was owed £34,669 (2014: £23,075) by Williamsburgh Property Services Limited.

25. Big Lottery Funding

As the accounts are prepared on an accruals basis, the income recorded as being received from the Big Lottery during the year is as follows:-

	£
Restricted funding received	225,264
Accrued grant	-
	<hr/>
	225,264
Prepaid grant	(12,151)
	<hr/>
Total disclosed in accounts	<u>213,113</u>