



**Williamsburgh**  
HOUSING ASSOCIATION  
• Limited •

**WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

**Report and Financial Statements**

**For the year ended 31 March 2016**

## **WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

### **Report and Financial Statements For the year ended 31 March 2016**

	<b>Page</b>
Members of the Management Committee, Executives and Advisers	1
Report of the Management Committee (incorporating the strategic report)	2-4
Report of the Independent Auditor	5-6
Management Committee's Statement of Internal Financial Controls	7
Report by the Auditor to the Management Committee on Corporate Governance Matters	8
Statement of Comprehensive Income	9
Statement of Changes in Capital and Reserves	10
Statement of Financial Position	11
Statement of Cash Flows	12
Notes to the Financial Statements	13-34

#### **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	Resigned 27.01.16
D James	
L Mardones	
J Callaghan	
C Fitzpatrick	Resigned 20.08.15
Y Kelly	
G Carberry	Resigned 27.01.16
M Nisbett	
S James	
S Luke	
J Luby	Appointed 18.05.16

**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

**Registered Office:**

Ralston House  
Cyril Street  
Paisley  
PA1 1RW

**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

**Solicitor**

Cochran Dickie  
21 Moss Street  
Paisley  
PA1 1BX

**Report of the Management Committee (incorporating the Strategic Report)  
For the year ended 31 March 2016**

The Management Committee presents its report (incorporating the Strategic Report) and the audited financial statements for the year ended 31 March 2016.

**Principal activities**

The principal activity of the Association is the provision of rented accommodation. The Association is a limited company incorporated in Scotland.

**Strategy, Vision and Objectives**

The Association's vision is to provide high quality, affordable homes, on an on-going basis and to maintain a commitment to continuous improvement, both in service delivery and in the regeneration of its communities. The vision will be implemented through an increased focus on both continuous improvement and growth.

*Continuous improvement*

Monitoring performance over the whole range of services provided, on an ongoing basis to ensure that the Association is delivering the highest quality of provision, re-investing in housing stock and introducing measures to improve efficiencies and enhance customer satisfaction.

*Growth*

Increasing the number and types of houses available, whilst promoting neighbourhood regeneration and revitalising our communities through maximising activity in innovative ways to produce social, economic and environmental benefits.

**Objectives**

The Management Committee has set ten overarching objectives for the coming year:

- Provision of services to other housing providers;
- Progression of housing development projects at Seedhill Road, Paisley and Milliken Road, Kilbarchan;
- Providing administration support to the Renfrew Association of Growers and Gardeners;
- Community regeneration and sustainment;
- Improved means of customer communication;
- Increased tenant and resident participation;
- Increase demand for void properties;
- Minimising arrears;
- Prepare for and respond to the challenges presented by welfare reform; and
- Progressing a number of high priority operational matters.

**Review of business**

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 £2,000,755 (2015: £1,750,297). Net assets stand at £24,517,830 (2015: £22,517,077).

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

**Future developments**

The Association is progressing two development schemes at present, Seedhill Road, Paisley (23 units) and Milliken Road, Kilbarchan (16 units).



**Report of the Management Committee (incorporating the Strategic Report)  
For the year ended 31 March 2016**

**Principal risks and uncertainties**

The Association has a risk management policy in place and the principal risks and controlling actions are reviewed by the Management Committee. The principal risks facing the Association are as follows:

- Timeous progression with the 23 unit development at Seedhill Road due to delay in Scottish Water infrastructure works required on Seedhill Road;
- Committee membership numbers;
- Unforeseen increases in pension scheme costs;
- Impact on housing benefit receipts as a result of welfare reform implementation;
- Upgrade required to I.T. disaster recovery plan;
- Universal credit benefit payments being made directly to tenants;
- Resources required to support Renfrew Association of Gardeners & Growers; and
- Complaints regarding anti-social behaviour.

Each risk has its own individual risk assessment which identifies the risk rating and owner and provides: risk description, controlling actions, any changes since the most recent review and the next review date. Committee review the main risk register and each risk assessment individually at Management Committee meetings.

**Key performance indicators (KPI's)**

The Association recently submitted the 2015/16 Annual Return on the Scottish Social Housing Charter (ARC) to The Scottish Housing Regulator. The Regulator has identified 14 key performance indicators from the ARC to assess performance against the requirements of the charter. 2015/16 KPI's were reported as follows:

• Percentage of tenants satisfied with overall service	86.03%
• Percentage of tenants who feel their landlord is good at keeping them informed	90.34%
• Percentage of tenants satisfied with opportunities to participate in decision making	71.92%
• Percentage of stock meeting the Scottish Housing Quality Standard	100.00%
• Average length of time to complete emergency repairs	3.50 hours
• Average length of time to complete non-emergency repairs	3.86 days
• Percentage of reactive repairs carried out and completed 'right first time'	92.98%
• Percentage of repairs appointments kept	97.60%
• Percentage of tenants who had repairs carried out, who were satisfied with the service	94.34%
• Number of cases of anti-social behaviour reported in the last year	272 cases
• Number of cases resolved within locally agreed target in the last year	197 cases
• Average length of time taken to re-let properties	28.23 days
• Percentage of rent lost through properties being empty in the last year	0.91%
• Rent collected from tenants as a percentage of total rent due in the reporting year	94.97%

**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.

**Report of the Management Committee (incorporating the Strategic Report)  
For the year ended 31 March 2016**

**Statement of committee's responsibilities**

Housing Association legislation requires the Management Committee to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Association and of the income and expenditure of the Association for the period ended on that date. In preparing those financial statements the committee are required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business.

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

**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**

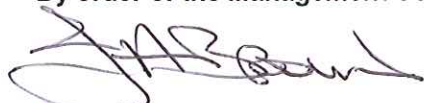
During the year, the Association made charitable donations amounting to £848 (2015: £1,141).

**Auditor**

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

The Report of the Management Committee (incorporating the Strategic Report) has been approved by the Management Committee:

**By order of the Management Committee**



James Brown  
**Committee member**

Dated: 5 August 2016



**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 2016 which comprise the Statement of Comprehensive Income, the Statement of Capital and Reserves, the Statement of Financial Position, the Statement of Cash Flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice for Social Housing Providers issued in 2014.

This report is made solely to the Association's members as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the Management Committee and the auditor**

As explained more fully in the Statement of Management Committee's responsibilities statement set out on page 4, the committee members are responsible for the preparation of the financial statements which give a true and fair view.

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

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://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 2016 and of its income and expenditure for the year ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for Social Housing Providers issued in 2014;
- have been properly 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 2014 as issued by the Scottish Housing Regulator.

**Report of the Independent 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 2016, because of the immaterial nature of the subsidiary's transactions in the year.



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

Dated: 5 August 2016



**Management Committee's Statement of Internal Financial Controls  
For the year ended 31 March 2016**

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; and
- 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 2016.

By order of the Management Committee



James Brown  
**Committee Member**

Dated: 5 August 2016

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

In addition to our audit of the Financial Statements, we have reviewed your statements on page 7 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

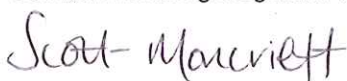
**Basis of Opinion**

We carried out our review having regard to the requirements on corporate governance matters within Bulletin 2009/4 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 7 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: 5 August 2016

**Statement of Comprehensive Income**  
**For the year ended 31 March 2016**

	Notes	2016 £	Restated 2015 £
<b>Turnover</b>	4	8,020,327	7,833,377
Less: Operating expenditure	4	(5,964,629)	(6,075,916)
<b>Operating surplus</b>		2,055,698	1,757,461
Gain on sale of fixed assets	10	10,538	160,350
Interest receivable	11	28,646	24,930
Interest and financing costs	12	(94,127)	(192,444)
<b>Surplus for the year</b>		2,000,755	1,750,297
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		2,000,755	1,750,297

The results for the year relate wholly to continuing activities.



**Statement of Changes in Capital and Reserves**  
**As at 31 March 2016**

	Share Capital £	Revenue Reserves £	Total Capital & Reserves £
Balance at 1 April 2015 as restated	115	22,516,962	22,517,077
Total Comprehensive Income for the year	-	2,000,755	2,000,755
Shares issued during the year	8	-	8
Shares cancelled during the year	(10)	-	(10)
Balance at 31 March 2016	<u>113</u>	<u>24,517,717</u>	<u>24,517,830</u>

**Statement of Changes in Capital and Reserves**  
**As at 31 March 2015**

	Share Capital £	Revenue Reserves £	Total Capital & Reserves £
Balance at 1 April 2014 as restated	121	20,766,665	20,766,786
Total Comprehensive Income for the year	-	1,750,297	1,750,297
Shares issued during the year	3	-	3
Shares cancelled during the year	(9)	-	(9)
Balance at 31 March 2015	<u>115</u>	<u>22,516,962</u>	<u>22,517,077</u>

The notes on pages 13 to 34 form part of these financial statements

**Statement of Financial Position**  
**As at 31 March 2016**

	Notes	2016 £	Restated 2015 £
<b>Tangible fixed assets</b>			
Housing properties	13	74,171,507	75,916,092
Other fixed assets	15	355,883	374,518
Investments	16	2	2
		<u>74,527,392</u>	<u>76,290,612</u>
<b>Current assets</b>			
Debtors	17	192,215	272,634
Cash and cash equivalents	18	6,275,254	5,084,984
		<u>6,467,469</u>	<u>5,357,618</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>(3,265,230)</u>	<u>(3,241,041)</u>
<b>Net current assets</b>		<u>3,202,239</u>	<u>2,116,577</u>
<b>Total assets less current liabilities</b>		<u>77,729,631</u>	<u>78,407,189</u>
<b>Creditors: amounts falling due after more than one year</b>	20	<u>(53,211,801)</u>	<u>(55,890,112)</u>
<b>Net assets</b>		<u><u>24,517,830</u></u>	<u><u>22,517,077</u></u>
<b>Capital and reserves</b>			
Share capital	24	113	115
Revenue reserve		<u>24,517,717</u>	<u>22,516,962</u>
		<u><u>24,517,830</u></u>	<u><u>22,517,077</u></u>

The financial statements on pages 9 to 34 were authorised for issue by the Management Committee on 5 August 2016 and were signed on its behalf by:

**Gordon Williamson**  
**Secretary**



**James Brown**  
**Committee Member**



**James Callaghan**  
**Committee Member**



The notes on pages 13 to 34 form part of these financial statements

**Statement of Cash Flows**  
**For the year ended 31 March 2016**

	Notes	2016		Restated 2015	
		£	£	£	£
<b>Net cash generated from operating activities</b>	27		2,682,059		2,417,294
<b>Cash flow from investing activities</b>					
Purchase of housing properties		(1,063,624)		(1,730,692)	
Purchase of other fixed assets		(29,006)		(67,634)	
Proceeds from sale of housing properties		100,538		186,431	
Government capital grants received		100,000		271,397	
Repayment of Government Capital grant on disposal of housing properties		-		-	
Interest received		28,646		24,930	
			(863,446)		(1,315,568)
<b>Cash flow from financing activities</b>					
Interest payable		(64,498)		(76,585)	
Repayment of borrowings		(563,853)		(812,064)	
Issue of share capital		8		3	
			(628,343)		(888,646)
<b>Net change in cash and cash equivalents</b>			1,190,270		213,080
Cash and cash equivalents at 1 April			5,084,984		4,871,904
<b>Cash and cash equivalents at 31 March</b>			<u>6,275,254</u>		<u>5,084,984</u>

The notes on pages 13 to 34 form part of these financial statements



**Notes to the Financial Statements**  
**For the year ended 31 March 2016**

**1. General information**

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Housing Requirements 2014 as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2014. The principal accounting policies are set out below.

The Association is defined as a public benefit entity and thus the Association complies with all disclosure requirements relating to public benefit entities. The Association is a registered social landlord (HAL 207) and a registered charity (SCO35350) in Scotland. The registered address is Ralston House, Cyril Street, Paisley, PA1 1RW.

The financial statements are the company's first financial statements prepared in accordance with Financial Reporting Standard 102 (FRS 102), 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). The Association's date of transition to FRS 102 is 1 April 2014.

In the year ended 31 March 2015 the financial statements were prepared in accordance with UK GAAP, the accounting standard applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council, and referred to below as 'previous UK GAAP'. Information on the impact of first time adoption of FRS 102 is given in note 30 to these financial statements.

The financial statements represent the results of the Association in £GBP.

**2. Principal Accounting Policies**

**(a) Basis of accounting**

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards. The effect of events relating to the year ended 31 March 2016, 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 2016 and of the results for the year ended on that date. The Association has a subsidiary company, Williamsburgh Property Services Limited, however, due to the immaterial nature of the subsidiary's transactions, consolidated financial statements have not been prepared.

**(b) Going concern**

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.

**(c) Turnover**

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

**Notes to the Financial Statements**  
**For the year ended 31 March 2016**

**2. Principal Accounting Policies (continued)**

**(d) Apportionment of management expenses**

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

The costs of cyclical and major repairs are charged to the Statement of Comprehensive Income in the year in which they are incurred.

**(e) Interest receivable**

Interest receivable is recognised in the Statement of Comprehensive Income using the effective interest method.

**(f) Interest payable**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**(g) Tangible fixed assets - housing properties**

Housing properties are stated at historical cost. The development cost of housing properties includes the following:

- (i) cost of acquiring land and buildings;
- (ii) development expenditure; and
- (iii) internal administrative costs relating to the acquisition and development of housing properties.

These costs are termed "qualifying costs" by the Scottish Government for approved Housing Association Grant.

Expenditure on schemes is written off in the year unless it is recognised that the schemes will be developed to completion.

Refurbishment expenditure on existing properties is capitalised to the extent that the expenditure represents improvements to the properties or replacement of components.

**(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



**Notes to the Financial Statements**  
**For the year ended 31 March 2016**

**2. Principal Accounting Policies (continued)**

**(h) Depreciation**

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) Investments**

The fixed asset investment relates to the investment in the subsidiary company, Williamsburgh Property Services Limited, a company registered in Scotland.

**(k) Debtors**

Short term debtors are measured at transaction price, less any impairment.

**(l) Rental arrears**

Rental arrears represent amounts due by tenants for rental of social housing properties at the year end. Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in Note 17.

**(m) Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**(n) Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**(o) Loans**

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.



**Notes to the financial statements**  
**For the year ended 31 March 2016**

**2. Principal Accounting Policies (continued)**

**(p) Government Capital Grants**

Government Capital Grants, at amounts approved by the Scottish Government or local authorities, are paid directly to the Association as required to meet its liabilities during the development process. This is treated as a deferred capital grant and is released to income in accordance with the accrual model over the useful life of the asset it relates to on completion of the development phase. The accrual model requires the Association to recognise income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

**(q) Government Revenue Grants**

Government revenue grants are recognised using the accrual model which means the Association recognises the grant in income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

**(r) Non-Government Capital and Revenue Grants**

Non-government capital and revenue grants are recognised using the performance model. If there are no performance conditions attached the grants are recognised as revenue when the grants are received or receivable.

A grant that imposes specific future performance related conditions on the recipient is recognised as revenue only when the performance related conditions are met.

A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

**(s) Financial instruments**

The Association only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a rental arrear deferred beyond normal Association terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets are derecognised when contractual rights to the cash flows from the assets expire, or when the Association has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

**Notes to the financial statements**  
**For the year ended 31 March 2016**

**2. Principal Accounting Policies (continued)**

**(t) Pensions (Note 26)**

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.

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

Thus the Scheme is accounted for as a defined contribution scheme. However the Association has entered into a past service deficit repayment agreement with the Pension Trust and per FRS 102, this discounted past service deficit liability has been recognised in the Statement of Financial Position.

**(u) Financial Commitments**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

**(v) 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.

**3. Judgements in applying policies and key sources of estimation uncertainty**

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Management Committee are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

**Estimate**

Useful lives of office premises, office vehicle and furniture and fittings.

The main components of housing properties and their useful lives

**Basis of estimation**

The useful lives of office premises, office vehicle and furniture and fittings are based on the knowledge of senior management at the Association, with reference to expected asset life cycles.

The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.



**Notes to the financial statements**  
**For the year ended 31 March 2016**

**3. Judgements in applying policies and key sources of estimation uncertainty (continued)**

**Estimate**

Recoverable amount of rental and other trade receivables

**Basis of estimation**

Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.

The obligations under the SHAPS pension scheme

This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate.



Notes to the financial statements  
For the year ended 31 March 2016

4. Particulars of Turnover, Operating Expenditure and Operating Surplus/(Deficit)

	Note	Turnover £	2016 Operating Expenditure £	Operating Surplus/ (deficit) £	Turnover £	2015 Restated Operating Expenditure £	Operating Surplus/ (deficit) £
Social Lettings	5	7,908,203	5,845,684	2,062,519	7,528,299	5,708,525	1,819,774
Other activities	6	112,124	118,945	(6,821)	305,078	367,391	(62,313)
		<u>8,020,327</u>	<u>5,964,629</u>	<u>2,055,698</u>	<u>7,833,377</u>	<u>6,075,916</u>	<u>1,757,461</u>

There are no other accommodation types other than General Needs and Supported Housing.

Notes to the financial statements  
For the year ended 31 March 2016

5. Particulars of turnover, operating expenditure and operating surplus from affordable letting activities

	General Needs Housing £	Supported Housing £	2016 Total £	Restated 2015 Total £
<b>Social lettings</b>				
Rent receivable net of service charges	5,670,450	53,246	5,723,696	5,585,935
Service Charges	141,718	2,256	143,974	126,578
<b>Gross income from rents and service charges</b>	<b>5,812,168</b>	<b>55,502</b>	<b>5,867,670</b>	<b>5,712,513</b>
<b>Less voids</b>	<b>57,709</b>	<b>-</b>	<b>57,709</b>	<b>143,523</b>
<b>Net income from rents and service charges</b>	<b>5,754,459</b>	<b>55,502</b>	<b>5,809,961</b>	<b>5,568,990</b>
Grants released from deferred income	2,020,945	22,297	2,043,242	1,903,309
Grants from the Scottish Ministers	55,000	-	55,000	56,000
<b>Total turnover from social letting activities</b>	<b>7,830,404</b>	<b>77,799</b>	<b>7,908,203</b>	<b>7,528,299</b>
<b>Expenditure</b>				
Management and maintenance administration costs	1,823,562	18,118	1,841,680	1,712,233
Service charges	119,259	2,256	121,515	105,001
Planned and cyclical maintenance costs	315,753	563	316,316	324,220
Reactive maintenance costs	794,239	9,727	803,966	858,832
Bad Debt Provision Rent & Service Charges	43,567	433	44,000	85,000
Depreciation of social housing	2,695,910	22,297	2,718,207	2,623,239
<b>Operating costs for affordable letting activities</b>	<b>5,792,290</b>	<b>53,394</b>	<b>5,845,684</b>	<b>5,708,525</b>
<b>Operating Surplus on letting activities, 2016</b>	<b>2,038,114</b>	<b>24,405</b>	<b>2,062,519</b>	
<b>Restated Operating Surplus on letting activities, 2015</b>	<b>1,804,763</b>	<b>15,011</b>	<b>-</b>	<b>1,819,774</b>

## Notes to the financial statements for the year ended 31 March 2016

## 6. Particulars of turnover, operating expenditure and operating surplus/(deficit) from other activities

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total Turnover		Other operating expenditure	Operating surplus/(deficit)	
	£	£	£	£	2016 £	2015 £	£	2016 £	2015 £
Wider role activities *	-	29,699	-	-	29,699	213,113	27,712	1,987	(53,097)
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-	-
Development and construction of property activities	-	-	-	-	-	-	9,806	(9,806)	(10,018)
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Agency/management services for RSLs	-	-	-	82,332	82,332	90,465	81,427	905	(698)
Other agency / management services	-	-	-	-	-	-	-	-	-
Developments for sale to RSLs	-	-	-	-	-	-	-	-	-
Development and improvements for sale to non RSLs	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	93	93	1,500	-	93	1,500
<b>Total from other activities, 2016</b>	-	29,699	-	82,425	112,124	-	118,945	(6,821)	-
<b>Total from other activities, 2015</b>	-	213,113	-	91,965		305,078	367,391		(62,313)

\* 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 2016**

**7. Directors' Emoluments**

The directors are defined as the members of the Committee of Management, the Director and any other person reporting directly to the Director 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. The Association considers key management personnel to be the Management Committee and senior management team of the Association only.

	2016 £	2015 £
Aggregate emoluments payable to key management personnel (including pension contributions and benefits in kind)	379,478	370,701
Total emoluments payable to the Director (excluding pension contributions) amounted to:	75,528	73,649
The numbers of Directors including the highest paid Director who received emoluments (excluding pension contributions) in the following ranges were:	Number	Number
£60,000 - £69,999	-	-
£70,000 - £79,999	1	1
	2016 £	2015 £
Total committee expenses reimbursed in so far as not chargeable to United Kingdom Income Tax	2,011	1,824

The Director is an ordinary member of the Association's pension scheme described in Note 26. 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 £8,754 (2015: £8,583).

8. Employee Information	2016 £	Restated 2015 £
Staff costs during year:		
Wages and salaries	1,228,153	1,194,052
Social security costs	107,215	107,428
Pension costs	128,590	108,124
Pension costs – Past service scheme expenses	7,405	7,405
Pension costs – Past service deficit measurement	32,454	27,859
Accrued holiday pay	25,306	25,306
Agency costs	6,840	13,865
	1,535,962	1,484,039

The SHAPs past service deficit liability is subject to remeasurement each financial year.

**Notes to the Financial Statements**  
**For the year ended 31 March 2016**

**8. Employee Information (continued)**

During the past year post service deficit contributions of £222,920 (2015: £216,643) were paid. Of this payment £215,515 (2015: £209,238) was a payment in respect of the SHAPs past service deficit liability. The remainder of £7,405 (2015: £7,405) was pension management costs which have been included in the pension contributions total included in staff costs above.

The unwinding of the discount has been charged to finance costs in the Statement of Comprehensive Income. This finance cost was £32,454 (2015: £27,859) in the year.

<b>9. Operating surplus</b>	<b>2016</b>	<b>Restated 2015</b>
	<b>£</b>	<b>£</b>
Operating surplus is stated after charging:		
Depreciation on tangible fixed assets	2,765,848	2,670,880
Auditor's remuneration – audit fees	9,599	10,276
Auditor's remuneration – non-audit fees	2,640	360
	<u>2,778,087</u>	<u>2,681,516</u>
<b>10. Gain on disposal of fixed assets</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Property disposals	10,538	150,250
Vehicle	-	10,100
	<u>10,538</u>	<u>160,350</u>
<b>11. Interest receivable</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	28,646	24,930
	<u>28,646</u>	<u>24,930</u>
<b>12. Interest and financing costs</b>	<b>2016</b>	<b>Restated 2015</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	64,498	76,585
SHAPS deficit repayment plan (Note 26)	29,629	115,859
	<u>94,127</u>	<u>192,444</u>

**Notes to the Financial Statements**  
**For the year ended 31 March 2016**

**13. Tangible Fixed Assets - Housing properties**

	Housing Properties Held for Letting £	Housing Properties under Construction £	Total £
<b>Cost</b>			
As at 1 April 2015 as restated	112,058,517	124,416	112,182,933
Additions	956,622	107,002	1,063,624
Disposals	(713,371)	-	(713,371)
	<u>112,301,768</u>	<u>231,418</u>	<u>112,533,186</u>
<b>Accumulated depreciation</b>			
As at 1 April 2015 as restated	36,266,841	-	36,266,841
Charge for the year	2,612,066	-	2,612,066
Disposals	(517,228)	-	(517,228)
	<u>38,361,679</u>	<u>-</u>	<u>38,361,679</u>
<b>Net Book Value</b>			
As at 31 March 2016	<u>73,940,089</u>	<u>231,418</u>	<u>74,171,507</u>
As at 31 March 2015 as restated	<u>75,791,676</u>	<u>124,416</u>	<u>75,916,092</u>

Additions to Housing Properties during the year includes no capitalised interest (2015 - £nil) and no capitalised administration costs (2015 - £nil). All housing properties are freehold. Properties with a cost of £138,499 (2015: £310,048) and accumulated depreciation of £48,497 (2015: £7,776) have been disposed of in the year for net proceeds (after grant recycled of £87,028) of £10,538.

Components with a cost of £574,872 (2015: £1,019,688) and accumulated depreciation of £468,731 (2015: £77,973) were disposed of in the year.

**14. Housing Stock**

The number of housing units in management as at 31 March 2016 was:

	2016	2015
General Needs Housing	1,610	1,613
Supported Housing	13	13
	<u>1,623</u>	<u>1,626</u>
<b>Total Units</b>	<u>1,623</u>	<u>1,626</u>



Notes to the Financial Statements  
For the year ended 31 March 2016

15. Tangible Fixed Assets - Other fixed assets

	Office Premises £	Office Vehicle £	Furniture & Fittings £	Total £
<b>Cost</b>				
At 1 April 2015	372,032	23,659	491,423	887,114
Additions during year	-	300	28,706	29,006
Disposals	-	-	(4,508)	(4,508)
At 31 March 2016	372,032	23,959	515,621	911,612
<b>Depreciation</b>				
At 1 April 2015	351,773	-	160,823	512,596
Charge for year	4,291	7,986	35,364	47,641
On disposals	-	-	(4,508)	(4,508)
At 31 March 2016	356,064	7,986	191,679	555,729
<b>Net Book Value</b>				
At 31 March 2016	15,968	15,973	323,942	355,883
At 31 March 2015	20,259	23,659	330,600	374,518

16. Investments

	2016 £	2015 £
Investment in subsidiary undertaking	2	2

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 2016 the capital and reserves of Williamsburgh Property Services Limited were £2 with results for the period of £ nil.

17. Debtors	2016 £	2015 £
Arrears of rent and service charges	341,352	351,015
Less: Provision for doubtful debts	(246,791)	(182,211)
	94,561	168,804
Other debtors	13,887	4,682
Amounts due from subsidiary	29,482	34,669
Prepayments and accrued income	54,285	64,479
	192,215	272,634

Notes to the Financial Statements  
For the year ended 31 March 2016

<b>18. Cash and cash equivalents</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Deposit accounts	6,077,891	4,948,144
Current accounts	197,163	136,675
Cash in hand	200	165
	<u>6,275,254</u>	<u>5,084,984</u>
<b>19. Creditors – Amounts falling due within one year</b>	<b>2016</b>	<b>Restated 2015</b>
	<b>£</b>	<b>£</b>
Housing loans	263,516	263,516
Other taxes and social security costs	31,440	33,749
Owed to contractors	400,518	344,645
Rents and service charges in advance	330,523	317,624
Trade creditors	70,457	89,767
Sundry creditors and accruals	97,282	105,575
Deferred Government capital grants	1,851,800	1,872,804
SHAPS deficit repayment plan	219,694	213,361
	<u>3,265,230</u>	<u>3,241,041</u>
<b>20. Creditors – Amounts falling due after one year</b>	<b>2016</b>	<b>Restated 2015</b>
	<b>£</b>	<b>£</b>
Housing loans	2,597,417	3,161,271
Deferred Government capital grants	49,441,746	51,363,984
SHAPS deficit repayment plan	1,172,638	1,364,857
	<u>53,211,801</u>	<u>55,890,112</u>
<b>21. Loans</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Loans or mortgages secured by charges on the Association's housing properties:		
Loans advanced by private lenders	<u>2,860,933</u>	<u>3,424,787</u>
Due within one year	263,516	263,516
Due between one and two years	263,516	263,516
Due between two and five years	790,547	790,547
Due after five years	<u>1,543,354</u>	<u>2,107,208</u>
	<u>2,860,933</u>	<u>3,424,787</u>
Less: included in current liabilities above	<u>(263,516)</u>	<u>(263,516)</u>
	<u>2,597,417</u>	<u>3,161,271</u>

**Notes to the Financial Statements**  
**For the year ended 31 March 2016**

**21. Loans (continued)**

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

**22. Deferred capital grants**

	2016 £	Restated 2015 £
Deferred capital grants at 1 April	53,236,788	55,045,904
Grants received in year	100,000	271,397
Released to income in year	(2,043,242)	(2,080,513)
	<u>51,293,546</u>	<u>53,236,788</u>
Deferred capital grants at 31 March	<u>51,293,546</u>	<u>53,236,788</u>

	2016 £	2015 £
<b>Split:</b>		
Due within one year	1,851,800	1,872,804
Due between one and two years	1,835,258	1,851,800
Due between three and five years	5,271,654	5,390,551
Due after five years	42,334,834	44,121,633
	<u>51,293,546</u>	<u>53,236,788</u>

**23. Financial Instruments**

	2016 £	2015 £
<b>Financial Assets</b>		
Financial assets measured at amortised cost	137,930	208,155
	<u>137,930</u>	<u>208,155</u>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	4,821,522	5,542,992
	<u>4,821,522</u>	<u>5,542,992</u>

Financial assets measured at amortised cost comprised rental arrears, inter-company balances and other debtors.

Financial liabilities measured at amortised cost comprised housing loans, amounts owed to contractors, trade creditors, sundry creditors and accruals and the SHAPS deficit repayment plan.

**24. Share Capital**

	2016 £	2015 £
Shares of £1 each fully paid and issued as at 1 April 2015	115	121
Shares issued in year	8	3
Shares cancelled in year	(10)	(9)
	<u>113</u>	<u>115</u>
As at 31 March 2016	<u>113</u>	<u>115</u>

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



**Notes to the Financial Statements**  
**For the year ended 31 March 2016**

**25. Revenue Commitments**

At 31 March 2016, the Association had total future minimum lease commitments under non-cancellable operating leases as set out below:

	2016		2015	
	Land & buildings £	Other Leases £	Land & buildings £	Other leases £
Not later than one year	-	-	-	10,056
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,056</u>

**26. Retirement Benefit Obligations**

Williamsburgh Housing Association Limited participates in the Scottish Housing Pension Scheme (the scheme).

The Scheme is a multi-employer defined benefit 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. 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.

Williamsburgh Housing Association Limited has elected to continue to operate the final salary with a 1/60th accrual rate for existing members.

The Trustee commission 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 actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market values. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period Williamsburgh Housing Association Limited paid contributions at the rate of 12.3% of pensionable salaries. Member contributions were 12.3%. There was an additional annual employer past service deficit contribution of £215,515 (net of administration costs) made in the year ended 31 March 2016 (2015 - £209,238). The past service deficit contribution for 2016/17 is £219,693.

**Notes to the Financial Statements**  
**For the year ended 31 March 2016**

**26. Retirement Benefit Obligations (continued)**

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

Thus the scheme is accounted for as a defined contribution scheme. However the Association has entered into a past service deficit repayment agreement with the Pension Trust and per FRS 102, this discounted past service deficit liability has been recognised in the Statement of Financial Position.

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

As at the balance sheet date there were 31 (2015: 27) active members of the Scheme employed by Williamsburgh Housing Association Limited. The annual pensionable payroll in respect of these members was £1,097,144 (2015: £964,179). Williamsburgh Housing Association Limited continues to offer membership of the Scheme to its employees.

The key valuation assumptions used to determine the assets and liabilities of the Scheme as at 30 September 2012 are detailed below:

**Financial Assumptions**

The key financial assumptions underlying the valuation as at 30 September 2012 were as follows:

	<b>% p.a.</b>
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 price inflation:	
RPI	2.6
CPI	2.0

The valuation was carried out using the SAPS (S1PA). All pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement for non-pensioners and pensioners

The joint contribution rates required from employers and members to meet the cost of future benefit accrual for the Career average 1/80ths benefit structure was assessed as 16.9%.

This is split between employers and members. Accordingly the contribution rates for the Final Salary with 1/60th accrual from 1 April 2015 is 12.3% employer contributions and 12.3% member contributions.



**Notes to the Financial Statements**  
**For the year ended 31 March 2016**

**26. Retirement Benefit Obligations (continued)**

**2015 valuation**

As highlighted at the 2015 Employer Forums, the triennial valuation has been undertaken against a challenging economic backdrop for defined benefit (DB) schemes like SHAPS. That said, the deficit has reduced from £304m as at 30 September 2012 to £198m as at 30 September 2015; an improvement in the funding position from 56% to 76%.

A summary of the headline provisional valuation results is set out in the table below:

<b>Valuation</b>	<b>2012</b>	<b>2015</b>
Assets (£ million)	394	612
(Liabilities) (£ million)	(698)	(810)
(Deficit) (£ million)	(304)	(198)*
Funding level	56%	76%
Aggregate annual deficit contributions for the year from 1 April 2017 (£ million)	28.7 (26.3 on inception from 1 April 2014)	28.7
Annual increases to deficit contributions	3.0%	3.0%
Proposed deficit contribution (recovery) plan) and date	30 September 2027	28 February 2022

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Trustees have recently supplied Williamsburgh Housing Association Limited with an estimated updated contribution figure to the past service deficit. From 1 April 2017 Williamsburgh Housing Association Limited will be required to pay £219,693 (net of administration costs) per annum as a contribution to the past service deficit. This will increase by 3% per year. The deficit is now expected to be removed from the Scheme by 28 February 2022 (previously 30 September 2027). The past service deficit liability recognised in the financial statements is based on the revised estimated contribution schedule provided to the Association on 3 March 2016 by the Pensions Trust.

<b>Present value at provision</b>		
<b>Reconciliation of Opening and Closing Position</b>	<b>2016</b>	<b>Restated</b>
	<b>£</b>	<b>2015</b>
		<b>£</b>
Provision at start of period	1,578,218	1,671,597
Unwinding of the discount factor (interest expense)	(2,825)	88,000
Deficit contribution paid	(215,515)	(209,238)
Re-measurements – impact of any changes in assumptions	32,454	27,859
Provision at end of period	1,392,332	1,578,218
Liability split as:		
< 1 year	219,694	213,361
1-2 years	235,228	214,989
2-5 years	715,527	696,335
> 5 years	221,883	453,533
	1,392,332	1,578,218



**Notes to the Financial Statements**  
**For the year ended 31 March 2016**

**26. Retirement Benefit Obligations (continued)**

<b>Statement of Comprehensive Income Impact</b>	<b>2016 £</b>	<b>2015 £</b>
Interest expense	(2,825)	88,000
Re-measurements – impact of any change in assumptions	32,454	27,859
<b>Assumptions</b>	<b>2016</b>	<b>2015</b>
Rate of discount	2.29%	2.22%

The discount rates shown above are the equivalent single discount rates, which when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate band yield curve to discount the same recovery plan contributions.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating 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 2015 is £8,498,039 (2015: £7,542,836).

**27. Net Cash Flow from Operating Activities**

	<b>2016 £</b>	<b>Restated 2015 £</b>
Surplus for the year	2,000,755	1,750,297
<u>Adjustment for non cash items:</u>		
Carrying amount of housing property unit disposals	90,003	26,075
Depreciation of tangible fixed assets	2,765,848	2,666,267
SHAPS past service deficit liability	29,629	115,859
Decrease in debtors	80,419	180,609
Increase/(decrease) in creditors	38,860	(74,483)
Shares concluded in the year	(10)	(9)
<u>Adjustments for investing and financing activities:</u>		
Proceeds from sale of tangible fixed assets	(100,540)	(186,429)
Interest payable	64,498	76,585
Interest received	(28,646)	(24,930)
Release of deferred Government capital grant	(2,043,242)	(1,903,309)
SHAPS past service deficit liability	(215,515)	(209,238)
<b>Net cash generated from operating activities</b>	<b>2,682,059</b>	<b>2,417,294</b>

**Notes to the Financial Statements**  
**For the year ended 31 March 2016**

**28. Related Party Transactions**

There are eight tenant members and three non-tenant members of the Management Committee. All three Committee Members who are non-tenants, one of whom 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 2015/16. Costs of services provision were recharged to Williamsburgh Property Services Limited. During the period, costs amounting to £66,807 (2015: £69,105) were recharged to Williamsburgh Property Services Limited. £93 (2015: £591) was gift aided from Williamsburgh Property Services Limited to Williamsburgh Housing Association Limited. As at 31 March 2016, Williamsburgh Housing Association Limited was owed £29,482 (2015: £34,669) by Williamsburgh Property Services Limited.

**Management committee members**

As detailed above, the Association has Management Committee Members who are also tenants. The total rent charged in the year relating to tenant Management Committee Members is £27,704 (2015: £28,897). The total rent arrears relating to tenant Management Committee Members included within debtors at the year-end is £Nil (2015: £Nil). The total prepaid rent relating to tenant Management Committee included within debtors is £1,557 (2015: £1,592).

**29. 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:-

	£
Opening balance at 1 April 2015	12,151
Received in year	29,500
Released to income in year	(29,699)
Total deferred grant remaining	<u>11,925</u>

**30. Transition to FRS 102**

The Association has adopted Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2014: Statement of Recommended Practice for social housing providers (SORP 2014) for the year ended 31 March 2016. This has led to a number of changes in accounting policy, judgements and estimates and necessitates the prior year comparative amounts to be restated using these new policies in order that they give a comparable view of the prior year position.

The following changes to accounting policies and estimates have been applied:

In accordance with FRS 102 the Association does not present an Income and Expenditure Account or a Statement of Recognised Gains and Losses (STRGL) as was presented in the financial statements to 31 March 2015 as items that previously appeared in these statements are now included in the Statement of Comprehensive Income.

As permitted by FRS 102 the Association has renamed the Balance Sheet as the Statement of Financial Position.



**Notes to the Financial Statements**  
**For the year ended 31 March 2016**

**30. Transition to FRS 102 (continued)**

As prescribed by FRS 102 the Association now prepares a Statement of Changes in Capital and Reserves whereas in the financial statements to 31 March 2015 capital and reserves were analysed as part of the notes to the financial statements.

Housing Association Grant (HAG) is now recognised in line with the accrual model. The accrual model results in the grant being recognised over the expected useful life of the housing property structure.

Depreciation of housing properties was previously based on gross cost less HAG but is now based on gross cost only.

All employee benefits not paid to the employee at the year end must be accrued. As such, the Association accrues a monetary value for all unused holidays at the year end based on the individual employee's salary.

Designated reserves are no longer shown separately in the financial statements and instead are combined with the revenue reserve.

The Association participates in the SHAPS scheme and makes annual contributions towards the deficit in line with the fund plan. Under FRS 102, the future contributions in respect of the deficit must now be shown as a discounted liability on the Statement of Financial Position.

	£
<b>Capital and reserves as at 1 April 2014 as previously stated</b>	21,617,306
Effects of:	
Amortisation of Government grants received for housing properties	30,015,220
Restatement of depreciation of housing properties	(29,154,131)
Recognition of SHAPS past service pension deficit liability	(1,671,597)
Recognition of holiday pay accrual	(40,012)
<b>Restated capital and reserves as at 1 April 2014</b>	<b>20,766,786</b>

	£
<b>Capital and reserves as at 31 March 2015 as previously stated</b>	23,032,391
Effects of:	
<u>Prior year adjustments</u>	
Amortisation of Government grants received for housing properties	30,015,220
Restatement of depreciation of housing properties	(29,154,131)
Recognition of SHAPS past service pension deficit liability	(1,671,597)
Recognition of holiday pay accrual	(40,012)
<u>In year adjustments</u>	
Amortisation of Government grants received for housing properties	1,281,030
Restatement of depreciation of housing properties	(1,053,909)
Movement in SHAPS past service pension deficit liability	93,379
Movement in holiday pay accrual	14,706
<b>Restated capital and reserves as at 31 March 2015</b>	<b>22,517,077</b>



**Notes to the Financial Statements**  
**For the year ended 31 March 2016**

**30. Transition to FRS 102 (continued)**

	£
<b>Surplus for the year ended 31 March 2015 as previously stated</b>	1,415,091
Effects of:	
Amortisation of Government grants received for housing properties	1,281,030
Restatement of depreciation of housing properties	(1,053,909)
Movement in SHAPS past service pension deficit liability	93,379
Movement in holiday pay accrual	14,706
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<b>Restated surplus for the year ended 31 March 2015</b>	<b>1,750,297</b>
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