



Williamsburgh
HOUSING ASSOCIATION
• Limited •

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Report and Financial Statements

For the year ended 31 March 2017

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Report and Financial Statements For the year ended 31 March 2017

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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
The Office of the Scottish Charity Regulator	Registered Scottish Charity No: SC035350

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Committee of Management, Executives and Advisers For the year ended 31 March 2017

Committee of Management

M Symons	Chairperson
J Brown	Resigned 15.02.17
M MacLaren	Renfrewshire Council representative
D James	
L Mardones	Resigned 31.08.16
J Callaghan	
Y Kelly	
M Nisbett	Resigned 31.08.16
S James	
S Luke	
J Luby	
G Cameron	Appointed 25.01.17
J Kerr	Appointed 07.12.16

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

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Report of the Management Committee (incorporating the Strategic Report) For the year ended 31 March 2017

The Management Committee presents its report, which incorporates the Strategic Report and the audited financial statements for the year ended 31 March 2017.

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 nine overarching objectives for the coming year:

- 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;
- Responding to outcomes from the most recent Tenant Satisfaction Survey
- Ensuring our properties meet the "EESH" standard, our planned maintenance programme is on schedule and the introduction of a single reactive maintenance contractor;
- Environmental improvements to our properties and their surrounding areas;
- Increased focus on good Corporate Governance;
- Minimising arrears; 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 £1,784,833 (2016: £2,000,755). Net assets stand at £26,302,661 (2016: £24,517,830).

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).

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Report of the Management Committee (incorporating the Strategic Report) For the year ended 31 March 2017

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:

- Stock condition survey for creation of planned maintenance programme requires to be updated;
- Progression with the 23 unit development at Seedhill Road which is currently delayed due to Scottish Water infrastructure works required on Seedhill Road;
- Progression with the 16 unit development at Milliken Park, Kilbarchan which is currently delayed due to planning permission appeal;
- Committee membership numbers;
- Unforeseen increases in pension scheme costs;
- Impact on housing benefit receipts as a result of welfare reform implementation;
- Volume of complaints regarding anti-social behaviour; and
- Increasing rent arrears.

Each risk has its own individual risk assessment which identifies the risk rating, risk 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 submitted the 2016/17 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. 2016/17 KPI's were reported as follows:

- | | |
|--|------------|
| • Percentage of tenants satisfied with overall service | 94.23% |
| • Percentage of tenants who feel their landlord is good at keeping them informed | 99.68% |
| • Percentage of tenants satisfied with opportunities to participate in decision making | 99.68% |
| • Percentage of stock meeting the Scottish Housing Quality Standard | 100.00% |
| • Average length of time to complete emergency repairs | 1.75 hours |
| • Average length of time to complete non-emergency repairs | 3.11 days |
| • Percentage of reactive repairs carried out and completed 'right first time' | 96.08% |
| • Percentage of repairs appointments kept | 98.55% |
| • Percentage of tenants who had repairs carried out, who were satisfied with the service | 95.56% |
| • Number of cases of anti-social behaviour reported in the last year | 266 cases |
| • Number of cases resolved within locally agreed target in the last year | 215 cases |
| • Average length of time taken to re-let properties | 24.05 days |
| • Percentage of rent lost through properties being empty in the last year | 0.64% |
| • Rent collected from tenants as a percentage of total rent due in the reporting year | 99.17% |

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.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Report of the Management Committee (incorporating the Strategic Report) For the year ended 31 March 2017

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 that period. In preparing those financial statements, the Management Committee is 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

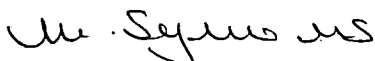
During the year, the Association made charitable donations amounting to £481 (2016: £848).

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



Margaret Symons
Committee member

Dated: 4 August 2017

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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 2017 which comprise the Statement of Comprehensive Income, the Statement of Capital and Reserves, the Statement of Financial Position, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 Management Committee and the auditor

As explained more fully in the Statement of Management Committee's Responsibilities statement set out on page 4, the Management Committee is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/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 2017 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2014 issued by the Scottish Housing Regulator.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**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 2017, because of the immaterial nature of the subsidiary's transactions in the year.

Scott-Moncrieff

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

Dated: 4 August 2017

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**Management Committee's Statement of Internal Financial Controls
For the year ended 31 March 2017**

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 2017.

By order of the Management Committee



Margaret Symons
Committee Member

Dated: 4 August 2017

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**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.

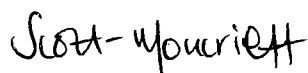
Basis of Opinion

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: 4 August 2017

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Statement of Comprehensive Income
For the year ended 31 March 2017

	Notes	2017 £	2016 £
Turnover	4	7,972,955	8,020,327
Operating expenditure	4	(6,069,140)	(5,964,629)
Operating surplus	4	1,903,815	2,055,698
(Loss)/gain on sale of property, plant and equipment	10	(25,448)	10,538
Interest receivable and other income	11	23,033	28,646
Interest payable and similar charges	12	(116,567)	(94,127)
Surplus for the year		1,784,833	2,000,755
Other comprehensive income		-	-
Total comprehensive income for the year		1,784,833	2,000,755

The results for the year relate wholly to continuing activities.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Statement of Changes in Capital and Reserves
As at 31 March 2017

	Share Capital £	Revenue Reserves £	Total Capital & Reserves £
Balance at 1 April 2016	113	24,517,717	24,517,830
Total comprehensive income	-	1,784,833	1,784,833
Shares issued during the year	11	-	11
Shares cancelled during the year	(13)	-	(13)
Balance at 31 March 2017	111	26,302,550	26,302,661

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	-	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	113	24,517,717	24,517,830

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED


Statement of Financial Position
As at 31 March 2017

	Notes	2017 £	2016 £
Tangible fixed assets			
Housing properties	13	72,325,435	74,171,507
Other fixed assets	15	340,793	355,883
Investments	16	2	2
		<u>72,666,230</u>	<u>74,527,392</u>
Current assets			
Debtors	17	206,101	192,215
Cash and cash equivalents	18a	197,723	197,363
Investments	18b	6,877,632	6,077,891
		<u>7,281,456</u>	<u>6,467,469</u>
Creditors: amounts falling due within one year	19	<u>(3,104,010)</u>	<u>(3,265,230)</u>
Net current assets		<u>4,177,446</u>	<u>3,202,239</u>
Total assets less current liabilities		<u>76,843,676</u>	<u>77,729,631</u>
Creditors: amounts falling due after more than one year	20	<u>(50,541,015)</u>	<u>(53,211,801)</u>
Net assets		<u><u>26,302,661</u></u>	<u><u>24,517,830</u></u>
Capital and reserves			
Share capital	24	111	113
Revenue reserve		<u>26,302,550</u>	<u>24,517,717</u>
		<u><u>26,302,661</u></u>	<u><u>24,517,830</u></u>

The financial statements on pages 9 to 29 were authorised for issue by the Management Committee on 4 August 2017 and were signed on its behalf by:


Gordon Williamson
Secretary


Margaret Symons
Committee Member


James Callaghan
Committee Member

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

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Statement of Cash Flows
For the year ended 31 March 2017

	Notes	2017		2016	
		£	£	£	£
Net cash generated from operating activities	26		2,396,558		2,682,059
Cash flow from investing activities					
Purchase of property, plant & equipment		(1,031,017)		(1,092,630)	
Proceeds from sale of property, plant & equipment		64,095		100,538	
Grants received		76,311		100,000	
Grants repaid		(12,015)		-	
Interest received		23,033		28,646	
			(879,593)		(863,446)
Cash flow from financing activities					
Interest paid		(51,479)		(64,498)	
Repayment of borrowings		(665,396)		(563,853)	
Issue of share capital		11		8	
Withdrawal from/(deposit to) current asset investment		(799,741)		(1,129,747)	
			(1,516,605)		(1,758,090)
Net change in cash and cash equivalents			360		60,523
Cash and cash equivalents at 1 April			197,363		136,840
Cash and cash equivalents at 31 March			<u>197,723</u>		<u>197,363</u>

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

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2017

1. General information

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom 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 preparation of these financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see note 3).

The presentation currency is pounds sterling and the financial statements are rounded to the nearest whole number.

The Association is a Co-operative and Community Benefit Society limited by shares and is incorporated in the United Kingdom. The Association is a registered social landlord in Scotland and its registered number is HAL207. The registered address is Ralston House, Cyril Street, Paisley, PA1 1RW.

The Association is defined as a public benefit entity and thus the Association complies with all disclosure requirements relating to public benefit entities.

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 2017, 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 2017 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 receivable and fees or revenue grants receivable from local authorities and from the Scottish Government. Also included is any management fee income for the factoring of properties for private owners as the provision of factoring services is accounted for on an ongoing basis.

(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.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2017

2. Principal Accounting Policies (continued)

(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 less accumulated depreciation. 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

Other fixed assets

Other fixed assets are stated at cost less accumulated depreciation. 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:

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

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2017

2. Principal Accounting Policies (continued)

(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 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.

(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.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2017

2. Principal Accounting Policies (continued)

(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 the 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.

(t) Pensions (Note 25)

The Association participates in The Centralised Scottish Housing Association Defined Benefits Pension Scheme (SHAPS) and retirement benefits to employees of the Association are funded by the 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.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2017

2. Principal Accounting Policies (continued)

(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

Basis of estimation

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

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 main components of housing properties and their useful lives

The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on expected asset life cycles.

Recoverable amount of rental and other trade receivables

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.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Notes to the financial statements
For the year ended 31 March 2017

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

	Note	2017			2016		
		Turnover £	Operating Expenditure £	Operating Surplus/ (Deficit) £	Turnover £	Operating Expenditure £	Operating Surplus/ (Deficit) £
Social Lettings	5	7,882,355	5,925,792	1,956,563	7,908,203	5,842,859	2,065,344
Other activities	6	90,600	150,436	(59,836)	112,124	118,945	(6,821)
		<u>7,972,955</u>	<u>6,076,228</u>	<u>1,896,727</u>	<u>8,020,327</u>	<u>5,961,804</u>	<u>2,058,523</u>

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

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Notes to the financial statements
For the year ended 31 March 2017

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

	General Needs Housing £	Supported Housing £	2017 Total £	2016 Total £
Income from rent and service charges				
Rent receivable net of service charges	5,722,385	53,618	5,776,003	5,723,696
Service charges	138,148	2,679	140,827	143,974
Gross income from rents and service charges	5,860,533	56,297	5,916,830	5,867,670
Less voids	(47,382)	-	(47,382)	(57,709)
Net income from rents and service charges	5,813,151	56,297	5,869,448	5,809,961
Release of deferred Government capital grants	1,921,506	14,918	1,936,424	2,043,242
Grants from the Scottish Ministers	73,909	2,574	76,483	55,000
Total turnover from social letting activities	7,808,566	73,789	7,882,355	7,908,203
Expenditure				
Management and maintenance administration costs	(1,850,827)	(17,423)	(1,868,250)	(1,838,855)
Service charges	(125,255)	(2,679)	(127,934)	(121,515)
Planned and cyclical maintenance costs	(404,600)	(2,997)	(407,597)	(316,316)
Reactive maintenance costs	(790,656)	(6,636)	(797,292)	(803,966)
Bad debts – rent and service charges	(64,316)	(608)	(64,924)	(44,000)
Depreciation of social housing	(2,638,286)	(21,509)	(2,659,795)	(2,718,207)
Operating expenditure for social letting activities	(5,873,940)	(51,852)	(5,925,792)	(5,842,859)
Operating Surplus on letting activities, 2017	1,934,626	21,937	1,956,563	
Operating Surplus on letting activities, 2016	2,038,114	24,405	2,062,519	2,065,344

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Notes to the financial statements for the year ended 31 March 2017

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

	Grants from Scottish Ministers	Other revenue grants	Other income	Total Turnover		Other operating expenditure	Operating surplus/(deficit)	
	£	£	£	2017 £	2016 £	£	2017 £	2016 £
Wider role activities *	-	28,989	-	28,989	29,699	60,323	(31,334)	1,987
Care and repair of property	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-
Development and construction of property activities	-	-	-	-	-	36,326	(36,326)	(9,806)
Support activities	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-
Agency/management services for RSLs	-	-	53,787	53,787	82,332	53,787	-	905
Other agency /management services	-	-	-	-	-	-	-	-
Developments for sale to RSLs	-	-	-	-	-	-	-	-
Development and improvements for sale to non RSLs	-	-	-	-	-	-	-	-
Other activities	-	-	7,824	7,824	93	-	7,824	93
Total from other activities 2017	-	28,989	61,611	90,600	-	150,436	(59,836)	-
Total from other activities 2016	-	29,699	82,425		112,124	118,945		(6,821)

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

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements
For the year ended 31 March 2017

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.

	2017 £	2016 £
Aggregate emoluments payable to key management personnel (including pension contributions and benefits in kind)	384,570	379,478
Total emoluments payable to the Director (excluding pension contributions) amounted to:	76,310	75,528
The numbers of Directors including the highest paid Director who received emoluments (excluding pension contributions) in the following ranges were:	2017 Number	2016 Number
£60,000 - £69,999	-	-
£70,000 - £79,999	1	1
	2017 £	2016 £
Total committee expenses reimbursed in so far as not chargeable to United Kingdom Income Tax	1,904	2,011

The Director is an ordinary member of the Association's pension scheme described in Note 25. 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 £8,851 (2016: £8,754).

8. Employee Information

	2017 Number	2016 Number
The average number of full-time equivalent employees during the year was:	33.5	33.7
	£	£
Staff costs during year:		
Wages and salaries	1,235,011	1,228,153
Social security costs	135,321	107,215
Pension costs	135,017	128,590
Pension costs – Past service scheme expenses	7,405	7,405
Pension costs – Past service deficit measurement	7,088	(2,825)
Accrued holiday pay	11,854	25,306
Agency costs	21,885	6,839
	1,553,581	1,500,683

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

During the past year post service deficit contributions of £229,386 (2016: £222,920) were paid. Of this payment £221,980 (2016: £215,515) was a payment in respect of the SHAPs past service deficit liability. The remainder of £7,405 (2016: £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 £58,000 (2016: £32,454) in the year.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements
For the year ended 31 March 2017

9.	Operating surplus	2017 £	2016 £	
	Operating surplus is stated after charging:			
	Depreciation on tangible fixed assets	2,659,795	2,765,848	
	Auditor's remuneration – audit fees	10,152	9,599	
	Auditor's remuneration – non-audit fees	360	2,640	
10.	(Loss)/gain on disposal of property, plant and equipment	2017 £	2016 £	
	Property disposals	(25,448)	10,538	
11.	Interest receivable and other income	2017 £	2016 £	
	Bank interest receivable	23,033	28,646	
12.	Interest payable and similar charges	2017 £	2016 £	
	On bank loans and overdrafts	58,657	64,498	
	SHAPS deficit repayment plan (Note 25)	58,000	29,629	
		116,567	94,127	
13.	Tangible Fixed Assets - Housing properties	Housing Properties Held for Letting £	Housing Properties under Construction £	Total £
	Cost			
	As at 1 April 2016	112,301,768	231,418	112,533,186
	Additions during year:			
	Property	-	-	-
	Components	935,251	63,109	998,360
	Disposals during year:			
	Property	(245,423)	-	(245,423)
	Components	(474,739)	-	(474,739)
	As at 31 March 2017	112,516,857	294,527	112,811,384
	Depreciation			
	As at 1 April 2016	38,361,679	-	38,361,679
	Charge for the year	2,616,380	-	2,616,380
	Disposals during year:			
	Property	(60,786)	-	(60,786)
	Components	(431,324)	-	(431,324)
	As at 31 March 2017	40,485,949	-	40,485,949
	Net Book Value			
	As at 31 March 2017	72,030,908	294,527	72,325,435
	As at 31 March 2016	73,940,089	231,418	74,171,507

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements
For the year ended 31 March 2017

13. Tangible Fixed Assets - Housing properties (continued)

Additions to Housing Properties during the year includes no capitalised interest (2016 - £nil) and no capitalised administration costs (2016 - £nil). All housing properties are freehold. Properties with a cost of £138,314 (2016: £138,499) and accumulated depreciation of £60,786 (2016: £48,497) have been disposed of in the year for net proceeds (after grant repaid of £12,015) of £52,080 (2016: £10,538 after grant recycled of £87,028).

Components with a cost of £474,739 (2016: £574,872) and accumulated depreciation of £474,739 (2016: £468,731) were disposed of in the year.

14. Housing Stock

The number of housing units in management as at 31 March 2017 was:

	2017 Number	2016 Number
General Needs Housing	1,608	1,610
Supported Housing	13	13
Total Units	<u>1,621</u>	<u>1,623</u>

15. Tangible Fixed Assets - Other fixed assets

	Office Premises £	Office Vehicle £	Furniture & Fittings £	Total £
Cost				
At 1 April 2016	372,032	23,959	515,621	911,612
Additions during year	-	-	32,657	32,657
Disposals	-	-	(25,679)	(25,679)
At 31 March 2017	<u>372,032</u>	<u>23,959</u>	<u>522,599</u>	<u>918,590</u>
Depreciation				
At 1 April 2016	356,064	7,986	191,679	555,729
Charge for year	4,291	7,986	35,470	47,747
On disposals	-	-	(25,679)	(25,679)
At 31 March 2017	<u>360,355</u>	<u>15,972</u>	<u>201,470</u>	<u>577,797</u>
Net Book Value				
At 31 March 2017	<u>11,677</u>	<u>7,987</u>	<u>321,129</u>	<u>340,793</u>
At 31 March 2016	<u>15,968</u>	<u>15,973</u>	<u>323,942</u>	<u>355,883</u>

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements
For the year ended 31 March 2017

16. Investments	2017 £	2016 £
Investment in subsidiary undertaking	2	2
<p>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.</p> <p>Williamsburgh Property Services Limited commenced trading on 1 April 2006. As at 31 March 2017 the capital and reserves of Williamsburgh Property Services Limited were £2 with results for the period of £ nil.</p>		
17. Debtors	2017 £	2016 £
Arrears of rent and service charges	275,816	341,352
Less: Provision for doubtful debts	(183,160)	(246,791)
	92,656	94,561
Other debtors	14,620	13,887
Amounts due from subsidiary	18,255	29,482
Prepayments and accrued income	80,570	54,285
	206,101	192,215
18a. Cash and cash equivalents	2017 £	2016 £
Current accounts	197,592	197,163
Cash in hand	131	200
	197,723	197,363
18b. Investments	2017 £	2016 £
Balances held in deposit accounts	6,877,632	6,077,891
19. Creditors – Amounts falling due within one year	2017 £	2016 £
Housing loans	263,516	263,516
Other taxes and social security costs	35,311	31,440
Owed to contractors	248,995	400,518
Rents and service charges in advance	352,226	330,523
Trade creditors	90,198	70,457
Sundry creditors and accruals	53,885	97,282
Deferred Government capital grants	1,817,930	1,851,800
SHAPS deficit repayment plan	241,949	219,694
	3,104,010	3,265,230

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements
For the year ended 31 March 2017

20. Creditors – Amounts falling due after one year	2017	2016
	£	£
Housing loans	1,932,021	2,597,417
Deferred Government capital grants	47,615,503	49,441,746
SHAPS deficit repayment plan	993,491	1,172,638
	<u>50,541,015</u>	<u>53,211,801</u>
21. Loans	2017	2016
	£	£
Loans or mortgages secured by shares on the Association's housing properties:		
Loans advanced by private lenders	<u>2,195,537</u>	<u>2,860,933</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	877,958	1,543,354
	<u>2,195,537</u>	<u>2,860,933</u>
Less: included in current liabilities above	<u>(263,516)</u>	<u>(263,516)</u>
	<u>1,932,021</u>	<u>2,597,417</u>
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	2017	2016
	£	£
Deferred capital grants at 1 April	51,293,546	53,236,788
Grants received in year	76,311	100,000
Released to income in year	<u>(1,936,424)</u>	<u>(2,043,242)</u>
Deferred capital grants at 31 March	<u>49,433,433</u>	<u>51,293,546</u>
Split:	2017	2016
	£	£
Due within one year	1,817,930	1,851,800
Due between one and two years	1,789,050	1,835,258
Due between three and five years	5,144,224	5,271,654
Due after five years	40,682,229	42,334,834
	<u>49,433,433</u>	<u>51,293,546</u>

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements
For the year ended 31 March 2017

23. Financial Instruments	2017	2016
	£	£
Financial Assets		
Cash and cash equivalents	197,723	197,363
Investments – deposit accounts	6,877,632	6,077,891
Financial assets measured at amortised cost	125,531	137,930
	<u>7,200,886</u>	<u>6,413,184</u>
Financial Liabilities		
Financial liabilities measured at amortised cost	<u>3,824,055</u>	<u>4,821,522</u>

Financial assets measured at amortised cost comprised rental arrears, inter-company balances and other debtors and amounts due from subsidiary

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.

No financial assets or liabilities are held at fair value.

24. Share Capital	2017	2016
	£	£
Shares of £1 each fully paid and issued as at 1 April 2016	113	115
Shares issued in year	11	8
Shares cancelled in year	(13)	(10)
As at 31 March 2017	<u>111</u>	<u>113</u>

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

25. Retirement Benefit Obligations

Williamsburgh Housing Association Limited (the Association) participates in the Scottish Housing Associations' Pension Scheme (the "Scheme").

The Scheme is a multi-employer defined benefit scheme. The Scheme is funded. 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; and
- 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.

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

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2017

25. Retirement Benefit Obligations (continued)

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.

As at the balance sheet date there were 30 (2016: 31) active members of the Scheme employed by the Association. The Association continues to offer membership of the Scheme to its employees.

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 2015 by a professionally qualified actuary using the "projected unit credit" method. The market value of the Scheme's assets at the valuation date was £616 million. The valuation revealed a shortfall of assets compared to liabilities of £198 million, equivalent to a past service funding level of 76%.

The key valuation assumptions used to determine the assets and liabilities of the Scheme as at 30 September 2015 are detailed below:

	% 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	2.0
Rate of pension increases – pension accrued from 6 April 2005 (for leavers before 1 October 1993 pension increases are 5%)	1.7
Rate of price inflation	2.6

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.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements
For the year ended 31 March 2017

25. Retirement Benefit Obligations (continued)

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 2016. As of this date the estimated employer debt of the Association was £11,087,939 (2016: £8,498,039).

	2017 £	2016 £
Provision at start of period	1,392,332	1,578,218
Unwinding of the discount factor (interest expense)	58,000	32,454
Deficit contribution paid	(221,980)	(215,515)
Re-measurements – impact of any changes in assumptions	7,088	(2,825)
Provision at end of period	1,235,440	1,392,332
Liability split as:		
< 1 year	241,949	219,694
1-2 years	246,593	235,228
2-5 years	746,898	715,527
> 5 years	-	221,883
	1,235,440	1,392,332

Statement of Comprehensive Income Impact	2017 £	2016 £
Interest expense	58,000	32,454
Re-measurements – impact of any change in assumptions	7,088	(2,825)
Assumptions	2017	2016
Rate of discount	1.06%	2.29%

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.

26. Net Cash Flow from Operating Activities	2017 £	2016 £
Surplus for the year	1,784,833	2,000,755
<u>Adjustment for non-cash items:</u>		
Carrying amount of tangible fixed asset	184,637	90,003
Depreciation of tangible fixed assets including loss on disposal of components	2,707,542	2,765,848
SHAPS past service deficit movements	65,088	29,629
Increase/(decrease) in trade and other debtors	(13,886)	80,419
Decrease/(increase) in trade and other creditors	(149,605)	38,860
Shares concluded in the year	(13)	(10)
<u>Adjustments for investing and financing activities:</u>		
Proceeds from sale of tangible fixed assets	(52,080)	(100,540)
Interest payable	51,479	64,498
Interest received	(23,033)	(28,646)
Release of deferred Government capital grants	(1,936,424)	(2,043,242)
SHAPS past service deficit payment	(221,980)	(215,515)
Net cash inflow from operating activities	2,396,558	2,682,059

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2017

27. Related Party Transactions

There are seven 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 2016/17. Costs of services provision were recharged to Williamsburgh Property Services Limited. During the year, costs amounting to £69,214 (2016: £66,807) were recharged to Williamsburgh Property Services Limited. £250 (2016: £93) was gift aided from Williamsburgh Property Services Limited to Williamsburgh Housing Association Limited. As at 31 March 2017, Williamsburgh Housing Association Limited was owed £18,255 (2016: £29,482) 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 £23,994 (2016: £27,704). The total rent arrears relating to tenant Management Committee Members included within debtors at the year-end is £Nil (2016: £Nil). The total prepaid rent relating to tenant Management Committee included within creditors is £2,029 (2016: £1,557).

28. 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 2016	11,952
Received in year	9,000
Released to income in year	(20,636)
Total deferred grant remaining	<u>316</u>