

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2014

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

CONTENTS

Management Committee, Executives & Advisers	Page	1
Report of the Management Committee		2
Report by the Auditors on Corporate Governance Matters		4
Report of the Auditors		5
Income & Expenditure Account		6
Balance Sheet		7
Cash Flow Statement		8
Notes to the Financial Statements		9

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

MANAGEMENT COMMITTEE, EXECUTIVES & ADVISERS

Management Committee

M. Elsby, Chairperson (Re-appointed 29.08.12)

P. May, Vice-Chairperson (Appointed 21.09.11)

M. Walker, Secretary (Re-appointed 21.09.11)

P. Elsby (Re-appointed 18.09.13)

Cllr G. Hendry (Co-optee - Appointed 24.09.13)

T. Lowe (Appointed 18.09.13)

E. McAughtrie, (Re-appointed 22.09.10, Resigned 25.06.13)

A. McGinley (Re-appointed 18.09.13)

O. Paz (Appointed 18.09.13)

A. Walker (Appointed 24.09.13)

C. Walker (Re-appointed 22.08.12, Resigned 24.09.13)

Executive Officer

C. J. Forrest B.Acc., C.A., Director

Registered Office

2310 Dumbarton Road

Yoker

Glasgow

G14 0JS

Auditors (External)

Alexander Sloan

Chartered Accountants

38 Cadogan St

Glasgow

G2 7HF

Auditors (Internal)

Wylie & Bisset LLP

Chartered Accountants

168 Bath Street

Glasgow

G2 4TP

Bankers

The Bank of Scotland plc

The Mound

Edinburgh

EH1 1YZ

The Royal Bank of Scotland plc

36 St Andrew Square

Edinburgh

EH2 2YB

Solicitors

MacRoberts, Solicitors

Excel House

30 Semple St

Edinburgh

EH3 8BL

Mitchells Robertson, Solicitors

George House

36 North Hanover St

Glasgow

G1 2AD

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

REPORT OF THE MANAGEMENT COMMITTEE

The Management Committee presents its Report and Financial Statements for the year ended 31st March 2014.

Legal Status

The Association is registered as a non-profit making organisation under the Industrial and Provident Societies Act 1965 No. 1998(R)S. The Association is constituted under its Rule Book. The Association is a registered Scottish Charity with the charity number SC036604.

Principal Activities

The Association is a registered charity whose principal activities include the provision of low cost affordable housing for rent to those in the greatest housing need and the improvement of housing which does not meet tolerable standards.

Review of Business & Future Developments

The members of the Management Committee are of the opinion that the state of affairs of the Association is satisfactory. The surplus for the year, after taxation, was £259,486 (2013 - £677,544). Following a transfer of £nil (2013 - £nil), the retained surplus for the year was £259,486 (2013 - £677,544). Net Assets now stand at £7,717,669 (2013 - £7,458,182).

The on-going lack of available Social Housing Grant funding means that the Association is again unlikely to progress either tenement improvement or new build housing development schemes this year. While construction and development of new housing for rent will continue to be pursued by the Association in the medium term, resources will continue to be applied to planned and major repairs and maintenance of existing housing stock.

Management Committee & Executive Officers

The members of the Management Committee and the Executive Officers are listed on Page 1.

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

The members of the Management Committee are also Trustees of the Charity. Members of the Management Committee are appointed by the members at the Association's Annual General Meeting.

Statement of Management Committee's Responsibilities

The Industrial and Provident Societies Acts 1965 to 2002 require the Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit 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 accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business; and
- prepare a statement on Internal Financial Control.

The Management Committee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Industrial and Provident Societies Acts 1965 to 2002, the Housing (Scotland) Act 2010 and the Scottish Housing Regulator's Determination of Accounting Requirements 2012. They are 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. They are also responsible for ensuring the Association's suppliers are paid promptly.

The Management Committee must in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

In so far as the Management Committee are aware:

- There is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Housing Association's auditors are unaware; and
- The Management Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's auditors are aware of that information.

Internal Financial Control

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

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

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

REPORT OF THE MANAGEMENT COMMITTEE (Continued)

Internal Financial Control (Continued)

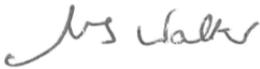
It is the Management Committee's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of the Association's systems include ensuring that:-

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, 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 which allow the management team and the Management Committee to monitor the key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- regular financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- the Management Committee receive reports from management and from the external and internal auditors, to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

Auditors

A resolution to re-appoint the Auditors, Alexander Sloan, will be proposed at the Annual General Meeting.

By order of the Management Committee



M. Walker
Secretary

Date: 27 May 2014

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

REPORT BY THE AUDITORS TO THE MANAGEMENT COMMITTEE OF YOKER HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 2 and 3 concerning the Association's compliance with the information required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing".

Basis of Opinion

We carried out our review having regard to the requirements relating to corporate governance matters within Bulletin 2006/5 issued by the Auditing Practices Board. 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 reasons given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 3 has provided the disclosures required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing" and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of 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 section on Internal Financial Control within SFHA's "Raising Standards in Housing".



ALEXANDER SLOAN
Chartered Accountants

Glasgow, 27 May 2014

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YOKER HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Yoker Housing Association Limited for the year ended 31st March 2014 which comprise an income and expenditure account, balance sheet, cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members, as a body, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968. 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 auditors' 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 Management Committee and Auditors

As explained more fully in the Statement of Management Committee's Responsibilities the Association's Management Committee, are responsible for the preparation of the Financial Statements that 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 on the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Management Committee; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Management Committee's report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Association's affairs as at 31st March 2014 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2012.

Matters on which we are required to report by exception

We are required to report to you if, in our opinion:

- the information given in the Management Committee's Report is inconsistent with the financial statements.
- proper books of account have not been kept by the Association in accordance with the requirements of the legislation.
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation.

We have nothing to report in respect of these matters.



ALEXANDER SLOAN
Chartered Accountants

Glasgow, 27 May 2014

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

INCOME & EXPENDITURE ACCOUNT

	Notes	2014		2013	
		£	£	£	£
TURNOVER	3		1,970,395		1,934,679
Cost of Sales	3		-		-
Operating Costs	3		(1,722,388)		(1,265,294)
OPERATING SURPLUS	3		248,007		669,385
(Loss) / Gain on Sale of Housing Stock	8	(498)		-	
Interest Receivable		11,977		23,878	
Interest Payable	9	-		(15,719)	
			11,479		8,159
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	10		259,486		677,544
Tax on surplus on ordinary activities	11		-		-
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION			259,486		677,544

All amounts relate to continuing activities. All recognised surpluses and deficits have been included in the Income & Expenditure Account.

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

BALANCE SHEET

	Notes	2014		2013	
		£	£	£	£
TANGIBLE FIXED ASSETS					
Housing Properties - Depreciated Cost	12a)		46,959,116		47,141,363
Less: Social Housing Grant	12a)		(41,663,824)		(41,828,790)
			<u>5,295,292</u>		<u>5,312,573</u>
Other fixed assets	12b)		1,538,665		1,618,049
			<u>6,833,957</u>		<u>6,930,622</u>
CURRENT ASSETS					
Stocks	1	3,923		3,463	
Debtors	15	62,392		88,694	
Cash at bank and in hand	18	1,350,177		801,034	
			<u>1,416,492</u>	<u>893,191</u>	
CREDITORS: Amounts falling due within one year	16		<u>(532,777)</u>	<u>(365,628)</u>	
NET CURRENT ASSETS			<u>883,715</u>	<u>527,563</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,717,672</u>	<u>7,458,185</u>	
CREDITORS: Amounts falling due after more than one year	17		<u>(3)</u>	<u>(3)</u>	
NET ASSETS			<u><u>7,717,669</u></u>	<u><u>7,458,182</u></u>	
CAPITAL AND RESERVES					
Share Capital	19		427		426
Designated Reserves	20a)		2,615,670		2,615,670
Revenue Reserves	20b)		5,101,572		4,842,086
			<u>7,717,669</u>		<u>7,458,182</u>

Signed on behalf of the Management Committee on the 27th of May 2014



M Elsby
Chairperson



M Walker
Secretary



O Paz
Committee Member

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

CASH FLOW STATEMENT

	Notes	2014	2013
		£	£
Net Cash Inflow from Operating Activities	18	804,974	1,117,705
Returns on Investment and Servicing of Finance			
Interest Received		20,846	20,580
Interest Paid		-	(17,857)
Net Cash Inflow from Returns on Investment and Servicing of Finance		20,846	2,723
Capital Expenditure and Financial Investment			
Acquisition and Construction of Properties		(309,378)	(254,871)
Purchase of Other Fixed Assets		(6,501)	(53,534)
Social Housing Grant Received		31,166	31,921
Social Housing Grant Repaid		(147,001)	-
Proceeds on Disposal of Properties		146,503	-
Proceeds on Disposal of Other Fixed Assets		8,500	7,700
Net Cash (Outflow) from Capital Expenditure and Financial Investment		(276,711)	(268,784)
Net Cash Inflow before use of Liquid Resources and Financing		549,109	851,644
Financing			
Loan Principal Repayments		-	(1,000,000)
Share Capital Issued		34	50
Net Cash Inflow / (Outflow) from Financing		34	(999,950)
Increase / (Decrease) in Cash	18	549,143	(148,306)

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice – "Accounting by registered social landlords 2008", and on the historical cost basis. They also comply with the Scottish Housing Regulator's Determination of Accounting Requirements 2012. A summary of the more important accounting policies is set out below.

Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from the Scottish Government.

Retirement Benefits

The Association participates in the Scottish Housing Association Pension Scheme 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.

Housing Properties, Office Premises and Depreciation

Housing Properties are stated at cost, less social housing and other public grants and less accumulated depreciation. The Association depreciates housing properties and office premises by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as either Housing Properties or Office Premises within Note 12. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

Component	(Useful Economic Life)
Structure	(50 yrs)
Windows	(25 yrs)
Central Heating Boilers	(15 yrs)
Central Heating Infrastructure	(25 yrs)
Kitchens	(15 yrs)
Bathrooms	(15 yrs)
Electrical Infrastructure	(25 yrs)
Lifts	(25 yrs)

Depreciation and Impairment of Other Fixed Assets

Other Fixed Assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets, less estimated residual value, at the following annual rates:-

Furniture and Equipment	- 25%
Motor Vehicles	- 20%

The carrying value of tangible fixed assets is reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stock of maintenance supplies is stated at the lower of cost and net realisable value.

Social Housing Grant and Other Grants in Advance / Arrears

Where developments have been financed wholly or partly by Social Housing Grant or other capital grant, the cost of those developments has been reduced by the amount of the grant receivable. The amount of the grants receivable is shown separately on the Balance Sheet.

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account in the same period as the expenditure to which it relates.

Although Social Housing Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

Sales of Housing Properties

Surpluses or deficits on the sale of housing properties are accounted for in the Income and Expenditure Account in the year of disposal. The surplus or deficit is shown on the face of the Income and Expenditure Account.

Leased Assets

Costs in respect of operating leases are charged to the Income and Expenditure Account on a straight-line basis over the lease term.

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Work to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

Capitalisation of Development Overheads

Directly attributable development administration costs relating to development activities are capitalised in accordance with the Statement of Recommended Practice.

Development Interest

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme.

Designated Reserves

The Association has designated part of its reserves to meet its long-term obligations.

The Planned Repairs Reserve has been designated to meet future repair and maintenance obligations carried out in accordance with a planned programme of works. This programme is based on the Association's liability to maintain housing properties in a state of repair, which at least maintains their residual values in prices prevailing at the time of acquisition and construction.

2. RETIREMENT BENEFITS

General

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

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

The Scheme offers six benefit structures to employers, namely:

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

An employer can elect to operate different defined benefit structures for their active members (as at the first day of April in any given year) and their new entrants. The DC option can be introduced by the employer on the first day of any month after giving a minimum of three months' prior notice.

The Association has elected to operate the final salary with a 1/60th accrual rate benefit option for active members as at 1 April 2013 and the final salary with a 1/60th accrual rate benefit option for new entrants from 1 April 2013.

During the accounting period the Association paid contributions at the rate of 9.6% of pensionable salaries. Member contributions were 9.6% of pensionable salaries. As at the balance sheet date there were seven active members of the Scheme employed by the Association. The annual pensionable payroll in respect of these members was £230,098. 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 an individual participating employer as the Scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total Scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the Scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, so that the Scheme can meet its pension obligations as they fall due.

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

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2013. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £470 million and indicated a decrease in the shortfall of assets compared to liabilities to approximately £272 million, equivalent to a past service funding level of 63%.

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. RETIREMENT BENEFITS (Continued)

General (Continued)

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

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

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

Yoker Housing Association Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scottish Housing Associations' Pension Scheme based on the financial position of the Scheme as at 30 September 2013. As of that date the estimated employer debt for the Association was £2,076,864. As the Association does not have any plans to withdraw from the Scheme this is not considered to be a Contingent Liability.

Valuation Assumptions

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

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

Mortality Tables	
Non-pensioners	44% of S1PMA (males) and S1PFA (females) projected using CMI_2011 with a long term improvement of 1.50% p.a. for males and 1.25% p.a. for females
Pensioners	90% of S1PMA (males) and S1PFA (females) projected using CMI_2011 with a long term rate of improvement of 1.50% p.a. for males and 1.25% p.a. for females

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

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

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	Notes	2014				2013			
		Turnover	Cost of Sales	Operating Costs	Operating Surplus / (Deficit)	Turnover	Cost of Sales	Operating Costs	Operating Surplus / (Deficit)
		£	£	£	£	£	£	£	£
Social Lettings	4	1,925,643	-	(1,687,083)	238,560	1,887,164	-	(1,226,021)	661,143
Other Activities	5	44,752	-	(35,305)	9,447	47,515	-	(39,273)	8,242
Total		1,970,395	-	(1,722,388)	248,007	1,934,679	-	(1,265,294)	669,385

4. PARTICULARS OF INCOME & EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing	2014 Total	2013 Total
	£	£	£
Income from Letting			
Rent receivable net of service charges	1,900,076	1,900,076	1,865,899
Service charges	33,488	33,488	27,582
Gross Income From Rents and Service Charges	1,933,564	1,933,564	1,893,481
Less: Rent losses from voids - lettable	(593)	(593)	(1,485)
- unlettable	(7,328)	(7,328)	(4,832)
Total Turnover From Social Letting Activities	1,925,643	1,925,643	1,887,164
Expenditure on Social Letting Activities			
Management and maintenance administration costs	604,987	604,987	623,080
Service costs	33,423	33,423	25,080
Planned and cyclical maintenance including major repair costs	448,817	448,817	66,952
Reactive maintenance costs	326,181	326,181	334,318
Bad debts - rents and service charges	19,935	19,935	11,968
Depreciation of social housing	253,740	253,740	164,623
Operating Costs For Social Letting Activities	1,687,083	1,687,083	1,226,021
Operating Surplus For Social Lettings	238,560	238,560	661,143

There is no other accommodation except for general needs.

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES

	Grants From Scottish Ministers £	Other Revenue Grants £	Other Income £	Total Turnover £	Operating Cost Of Sales £	Operating Costs Bad Debts £	Operating Costs Other £	Operating Surplus / (Deficit) 2014 £	Operating Surplus / (Deficit) 2013 £
Wider Role Activities	-	-	-	-	-	-	(338)	(338)	(4,603)
Factoring	-	-	29,705	29,705	-	(1,206)	(18,731)	9,768	12,459
Other Agency Services	-	-	15,047	15,047	-	-	(15,030)	17	386
Total From Other Activities	-	-	44,752	44,752	-	(1,206)	(34,099)	9,447	8,242
2013	-	-	47,515	47,515	-	(751)	(38,522)	8,242	

6. OFFICERS' EMOLUMENTS

The Officers are defined in s74 of the Industrial and Provident Societies Act 1965 as the members of the Management Committee, managers or servants of the Association. One officer of the Association received emoluments (excluding pension contributions) greater than £60,000 as follows:

	2014	2013
Emoluments payable to Chief Executive (excluding pension contributions)	83,183	85,198

The Chief Executive is an ordinary member of the Association's pension scheme described in notes 1 and 2. No enhanced or special terms apply to his membership and he has no other pension arrangements to which the Association contributes. The Association's contributions for the Chief Executive in the year amounted to £7,331 (2013 - £7,056).

7. EMPLOYEE INFORMATION

	2014	2013
The average monthly number of full time equivalent persons employed during the year was	No. 10	No. 11
Staff Costs were:	£	£
Wages and Salaries	322,370	329,274
Social Security Costs	23,479	27,449
Other Pension Costs	57,041	56,351
	402,890	413,074

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. (LOSS) / GAIN ON SALE OF HOUSING STOCK

	2014	2013
	£	£
Sales Proceeds	42,000	-
Abatement of Social Housing Grant - Right To Buy Sales	113,440	-
	<u>155,440</u>	<u>-</u>
Cost of Sales	(155,938)	-
(Loss) / Gain On Sale Of Housing Stock	<u>(498)</u>	<u>-</u>

9. INTEREST PAYABLE

	2014	2013
	£	£
On Bank Loans & Overdrafts	-	15,719
	<u>-</u>	<u>15,719</u>

10. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2014	2013
	£	£
Surplus on Ordinary Activities before Taxation is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	309,509	238,337
Auditors' Remuneration - Audit Services	5,775	5,775
(Gain) / Loss on Disposal of Other Fixed Assets	(1,173)	136
	<u>314,111</u>	<u>244,248</u>

11. TAX ON SURPLUS ON ORDINARY ACTIVITIES

	2014	2013
	£	£
(i) Analysis of Charge in Year		
Current Tax: UK Corporation Tax on surplus for the year	-	-
Total Current Tax (Note 11(ii))	<u>-</u>	<u>-</u>
(ii) Factors affecting tax charge for period		
The tax assessed for the period is lower than the standard rate of Corporation Tax in the U.K. (23%). The differences are explained below:		
Surplus on ordinary activities before tax	<u>259,486</u>	<u>677,544</u>
Surplus on ordinary activities x standard rate of Corporation Tax in the U.K. of 23% (2013 - 24%)	59,681	162,610
Effects of: Charitable income not chargeable to tax	(59,681)	(162,610)
Current tax charge for period (Note 11(i))	<u>-</u>	<u>-</u>

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. TANGIBLE FIXED ASSETS

a) Housing Properties	Held for Letting £	In course of Construction £	Total £
COST			
At 1st April 2013	48,817,007	31,855	48,848,862
Additions	281,084	-	281,084
Scheme Transfers	(27,808)	27,808	-
Disposals	(270,942)	-	(270,942)
At 31st March 2014	<u>48,799,341</u>	<u>59,663</u>	<u>48,859,004</u>
DEPRECIATION			
At 1st April 2013	1,707,499	-	1,707,499
Disposals	(38,563)	-	(38,563)
Charge for Year	230,952	-	230,952
At 31st March 2014	<u>1,899,888</u>	<u>-</u>	<u>1,899,888</u>
SOCIAL HOUSING GRANT			
At 1st April 2013	41,797,927	30,863	41,828,790
Additions	37,991	-	37,991
Scheme Transfers	(26,815)	26,815	-
Disposals	(202,957)	-	(202,957)
At 31st March 2014	<u>41,606,146</u>	<u>57,678</u>	<u>41,663,824</u>
NET BOOK VALUE			
At 31st March 2014	<u>5,293,307</u>	<u>1,985</u>	<u>5,295,292</u>
At 31st March 2013	<u>5,311,581</u>	<u>992</u>	<u>5,312,573</u>

Additions to housing properties includes capitalised development administration costs of Enil (2013 - Enil).

All housing properties are freehold.

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. TANGIBLE FIXED ASSETS (Continued)

b) Other Tangible Assets	Office	Motor	Furniture	Total
	Premises	Vehicles	& Equipment	
	£	£	£	£
COST				
At 1st April 2013	1,653,011	86,082	169,841	1,908,934
Additions	6,240	-	261	6,501
Eliminated on Disposals	-	(20,707)	-	(20,707)
At 31st March 2014	<u>1,659,251</u>	<u>65,375</u>	<u>170,102</u>	<u>1,894,728</u>
AGGREGATE DEPRECIATION				
At 1st April 2013	122,312	29,253	139,320	290,885
Eliminated on Disposals	-	(13,380)	-	(13,380)
Charge for year	43,516	10,075	24,967	78,558
At 31st March 2014	<u>165,828</u>	<u>25,948</u>	<u>164,287</u>	<u>356,063</u>
NET BOOK VALUE				
At 31st March 2014	<u>1,493,423</u>	<u>39,427</u>	<u>5,815</u>	<u>1,538,665</u>
At 31st March 2013	<u>1,530,699</u>	<u>56,829</u>	<u>30,521</u>	<u>1,618,049</u>

No equipment has been acquired under finance lease contracts.

13. CAPITAL COMMITMENTS

	2014	2013
	£	£
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	<u>-</u>	<u>-</u>

14. COMMITMENTS UNDER OPERATING LEASES

At the year end, the annual commitments under operating leases were as follows:-	2014	2013
	£	£
Office Equipment		
Expiring within one year	<u>-</u>	<u>-</u>

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. DEBTORS - Amounts Receivable within One Year

	2014	2013
	£	£
Arrears of Rent & Service Charges	78,344	74,825
Less: Provision for Doubtful Debts	(66,092)	(61,956)
	<u>12,252</u>	<u>12,869</u>
Other Debtors	26,716	40,984
Prepayments and Accrued Income	23,424	34,841
	<u>62,392</u>	<u>88,694</u>

16. CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Trade Creditors	296,670	93,294
Rent in Advance	88,976	92,592
Social Housing Grant in Advance	-	6,825
Other Taxation and Social Security	8,777	9,282
Other Creditors	55,377	36,507
Accruals and Deferred Income	82,977	127,128
	<u>532,777</u>	<u>365,628</u>

17. CREDITORS: Amounts falling due after more than one year

	2014	2013
	£	£
Housing Loans	<u>3</u>	<u>3</u>
<p>Housing Loans are secured by specific charges on the Association's housing properties and are repayable at varying rates of interest in instalments, due as follows:-</p>		
In five years or more	<u>3</u>	<u>3</u>

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. CASH FLOW STATEMENT

<i>Reconciliation of operating Surplus to net cash inflow from operating activities</i>	2014	2013
	£	£
Operating Surplus	248,007	669,385
Depreciation	338,932	246,363
(Increase) / Decrease in Stocks	(460)	335
Decrease in Debtors	17,433	232,469
Increase / (Decrease) in Creditors	202,268	(30,939)
(Gain) / Loss on Disposal of Other Fixed Assets	(1,173)	136
Share Capital Written Off	(33)	(44)
Net Cash Inflow from Operating Activities	<u>804,974</u>	<u>1,117,705</u>

<i>Reconciliation of net cash flow to movement in net debt</i>	2014
	£
Increase in cash in period	549,143
Cash flow from decrease in debt	-
Movement in net debt during year	<u>549,143</u>
Net debt at 1st April 2013	<u>801,031</u>
Net debt at 31st March 2014	<u>1,350,174</u>

<i>Analysis of changes in net debt</i>	At	Cash	Other	At
	01.04.13	Flows	Changes	31.03.14
	£	£	£	£
Cash at bank and in hand	801,034	549,143		1,350,177
Bank Overdrafts	-	-		-
Liquid Resources	<u>801,034</u>	<u>549,143</u>		<u>1,350,177</u>
Debt: Due within one year	-	-		-
Due after more than one year	(3)	-		(3)
Net Debt	<u>801,031</u>	<u>549,143</u>		<u>1,350,174</u>

Analysed in Balance Sheet

Cash at bank and in hand	801,034	1,350,177
Bank Overdrafts	-	-
Mortgage Loans		
Due after more than one year	(3)	(3)
	<u>801,031</u>	<u>1,350,174</u>

YOKER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS 31st March 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2013	426
Issued in year	34
Cancelled in year	(33)
	<u> </u>
At 31st March 2014	<u>427</u>

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

20. RESERVES

(a) Designated Reserves	Planned	
	Repairs	Total
	£	£
At 1st April 2013	2,615,670	2,615,670
Transfer (to) / from Revenue Reserves	-	-
	<u> </u>	<u> </u>
At 31st March 2014	<u>2,615,670</u>	<u>2,615,670</u>
 (b) Revenue Reserves		 Total
		£
At 1st April 2013		4,842,086
Surplus for the Year		259,486
Transfer to Designated Reserves		-
		<u> </u>
At 31st March 2014		<u>5,101,572</u>

21. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2014	2013
	No.	No.
General Needs - New Build	130	130
- Improved	488	489
- Unimproved	2	2
	<u> </u>	<u> </u>
	<u>620</u>	<u>621</u>

22. RELATED PARTY TRANSACTIONS

Some members of the Management Committee / Board have related party relationships with the Association as defined by Financial Reporting Standard 8.

The related party relationships of the members of the Management Committee / Board are summarised as follows:

- Seven members are tenants of the Association
- One member is a local councillor

Those committee members that are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their positions to their advantage. Any transactions between the Association and any entity with which a Committee Member has a connection is made at arm's length and is under normal commercial terms.