

YORKHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

**Registered with the Financial Conduct Authority -
Co-operative and Community Benefit Societies and Credit Union Act 2014 No. 02302R**

Registered Housing Association - Housing (Scotland) Act 2010 Registered number HCB 209

Registered Scottish Charity Number SC0 40346

YORKHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2014

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YORKHILL HOUSING ASSOCIATION LIMITED
MANAGEMENT COMMITTEE, EXECUTIVES AND PROFESSIONAL ADVISORS

MANAGEMENT COMMITTEE

H Fitzgerald	Chairperson
Dr M Guy	Vice Chair
J Gordon	Secretary
C Armstrong	Treasurer
Dr M Green	
P Braat	
T Dunne	
B Docherty	
P Carty	
H Fulton	(deceased 30/08/13)
J McMaster	(resigned 01/09/13)

EXECUTIVE OFFICERS

Marion Menabney	Chief Executive
Margaret Gillespie	Finance Manager
Thomas McGuigan	Housing Services Manager
Pauline Hollingsworth	Property Services Manager
Stewart Pattison	Maintenance Manager

REGISTERED OFFICE

1271 Argyle Street
Glasgow
G3 8TH

AUDITOR

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

SOLICITORS

Brechin Tindal Oatts
48 St. Vincent Street
Glasgow
G2 5HS

TC Young & Son
30 George Square
Glasgow
G2 1LH

BANKERS

Bank of Scotland
258/262 Dumbarton Road
Glasgow
G11 6TU

YORKHILL HOUSING ASSOCIATION LIMITED
REPORT OF THE MANAGEMENT COMMITTEE
For the year ended 31 March 2014

The Management Committee present its report and the audited financial statements for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Association include:

- Provision and management of rented accommodation (470)
- Management of properties on behalf of other owners.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The results for the year are set out in the income and expenditure account on page 8. The surplus has been added to reserves brought forward.

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 in the Association. The executive officers of the Association hold no interest in the Association's share capital and although not having the legal status of directors they act as executives within the authority delegated by the committee.

STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES

Housing Association legislation requires 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 these 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 the 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. 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.

YORKHILL HOUSING ASSOCIATION LIMITED
REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED..)
For the year ended 31 March 2014

RELATED PARTY TRANSACTIONS

Some members of the Management Committee are tenants or owner occupiers, however, the policies, procedures and agreements in place do not allow them to use their position on the committee to their personal advantage.

INTERNAL FINANCIAL CONTROL

The Committee is responsible for the Association's system of internal financial control, and has reviewed its effectiveness from information provided by management staff.

Any system can only provide reasonable and not absolute assurance against material mis-statement or loss.

The financial control system within the Association is fundamentally simple and appropriate to the size and complexity of the organisation. It includes a combination of regular review of financial results compared with an agreed budget and authorisation of all expenditure by senior staff and Committee.

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 information, and to establish that the Association's auditor is aware of the information.

AUDITOR

A resolution to re-appoint Scott-Moncrieff, Chartered Accountants as auditor will be put to the members at the Annual General Meeting.

By order of the Management Committee



J Gordon
Secretary

Dated: 14 August 2014

YORKHILL HOUSING ASSOCIATION LIMITED
MANAGEMENT COMMITTEE'S STATEMENT ON INTERNAL FINANCIAL CONTROLS
For the year ended 31 March 2014

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:

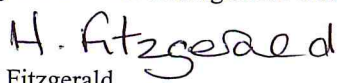
- the reliability of financial information for use within the Association;
- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use or disposition.

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

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- Experienced and suitably qualified staff take responsibility for important business functions, and annual appraisal procedures have been established to maintain standards of performance;
- Forecasts and budgets are prepared regularly, which allow the Management Committee and staff to monitor the key business risks and progress towards financial plans set for the year and medium term; regular management accounts are prepared timeously, providing relevant, reliable and up to date financial and other information and significant variances from budget are investigated where appropriate;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures;
- The Management Committee reviews reports from the Director, staff and the external and internal auditor to provide reasonable assurance that control procedures are in place and are being followed; and
- 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 2014.

By order of the Management Committee


H Fitzgerald
Chairperson

Dated: 14 August 2014

**REPORT OF THE AUDITOR TO THE MANAGEMENT COMMITTEE OF
YORKHILL HOUSING ASSOCIATION LIMITED
ON CORPORATE GOVERNANCE MATTERS**

For the year ended 31 March 2014

In addition to our audit of the Financial Statements, we have reviewed your Statement on Page 4 concerning the Association's compliance with the paragraphs of the Internal Financial Control section within the SFHA's publication "Raising Standards in Housing". The objective of our review is to draw attention to non-compliance with those paragraphs of the Code, if not otherwise disclosed.

Basis of Opinion

We carried out our review having regard to Bulletin 2009/4 issued by the Auditing Practices Board. The Bulletin does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the Association's system of internal financial control or its corporate governance procedures.

Opinion

In our opinion, your Statement on internal financial control on page 4 has provided the disclosures required by the Internal Financial Control section within the SFHA's publication "Raising Standards in Housing" and is not inconsistent with the information which came to our attention as a result of our audit work on the Financial Statements.



SCOTT-MONCRIEFF

Chartered Accountants
Statutory Auditor
25 Bothwell Street
Glasgow
G2 6NL

Dated: 14 August 2014

**REPORT OF THE AUDITOR TO THE MEMBERS OF
YORKHILL HOUSING ASSOCIATION LIMITED**

For the year ended 31 March 2014

We have audited the financial statements of Yorkhill Housing Association Limited for the year ended 31 March 2014 which comprise the income and expenditure account, balance sheet, cash flow statement and related notes. The financial reporting framework that has been applied is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice - Accounting by Registered Social Housing Providers issued in 2010.

This report is made solely to the Association's members as a body, in accordance with Section 9 of the Co-operative & Community Benefit Societies and Credit Unions 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 Management Committee Responsibilities statement set out on page 2, the committee members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2014 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice - Accounting by Registered Social Housing Providers issued in 2010;
- have been prepared in accordance with the requirements of the Co-operative & Community Benefit Societies and Credit Unions Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2012 issued by the Scottish Housing Regulator.

**REPORT OF THE AUDITOR TO THE MEMBERS OF
YORKHILL HOUSING ASSOCIATION LIMITED (CONTINUED..)**
For the year ended 31 March 2014

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative & Community Benefit Societies and Credit Unions Act 2014 require 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.

Scott - Moncrieff

SCOTT-MONCRIEFF

Chartered Accountants

Statutory Auditor

25 Bothwell Street

Glasgow

G2 6NL

Date: 14 August 2014

YORKHILL HOUSING ASSOCIATION LIMITED
INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2014

		2014	2013
	Notes	£	£
TURNOVER	2	1,662,006	1,605,532
OPERATING COSTS	2	(1,515,081)	(1,325,366)
OPERATING SURPLUS	2	146,925	280,166
(Loss)/gain on sale of housing accommodation		(145)	22,320
Interest receivable and other similar income	8	27,678	31,875
Interest payable and other similar charges	7	(87,243)	(89,920)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TRANSFERS		87,215	244,441
Transfer (to) Designated reserves	15	-	(139,080)
SURPLUS FOR THE YEAR	16	87,215	105,361

The results for the year relate wholly to continuing activities.

The Association has no recognised gains and losses other than those included in the surplus above.

The notes on pages 11 to 26 form part of these financial statements.

YORKHILL HOUSING ASSOCIATION LIMITED
BALANCE SHEET
As at 31 March 2014

		2014	2013
	Notes	£	£
TANGIBLE FIXED ASSETS			
Housing properties - cost less depreciation	10	15,504,716	15,515,928
Less: Social Housing Grant and other grants	10	(13,547,497)	(13,722,082)
		1,957,219	1,793,846
Other Fixed Assets	10	471,828	487,561
		2,429,047	2,281,407
CURRENT ASSETS			
Debtors	11	190,164	210,826
Cash at bank and in hand		1,815,138	1,928,662
		2,005,302	2,139,488
CREDITORS			
Amounts falling due within one year	12	(370,300)	(389,908)
NET CURRENT ASSETS		1,635,002	1,749,580
TOTAL ASSETS LESS CURRENT LIABILITIES		4,064,049	4,030,987
CREDITORS			
Amounts falling due after more than one year	13	(1,661,951)	(1,716,087)
NET ASSETS		2,402,098	2,314,900
CAPITAL AND RESERVES			
Called up share capital	14	132	149
Designated reserves	15	1,624,463	1,624,463
Revenue reserves	16	777,503	690,288
CAPITAL EMPLOYED		2,402,098	2,314,900

The Financial Statements were authorised for issue by the Management Committee on 14 August 2014 and signed on its behalf by:-



H. Fitzgerald
Chairperson



J Gordon
Company Secretary



C Armstrong
Treasurer

The notes on pages 11 to 26 form part of these financial statements.

YORKHILL HOUSING ASSOCIATION LIMITED
CASH FLOW STATEMENT

For the year ended 31 March 2014

	<i>Notes</i>	2014 £	2013 £
Net cash flow from operating activities	17	317,062	496,905
Returns on Investments and Servicing of Finance	18	(59,565)	(58,045)
Capital Expenditure	18	(318,242)	(136,801)
		<u>(60,745)</u>	<u>302,059</u>
Financing	18	(52,779)	(54,246)
(Decrease) / increase In Cash		<u>(113,524)</u>	<u>247,813</u>

The notes on pages 23 and 24 form part of the cash flow statement.

YORKHILL HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2014

1. Accounting Policies

(a) Introduction and accounting basis

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

These financial statements are prepared in accordance with applicable accounting standards and statements of recommended practice, and comply with the requirements of the Determination of Accounting Requirements 2012 issued by the Scottish Housing Regulator and the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2010.

(b) Going Concern

The Committee of Management anticipate that a surplus will be generated in the year to 31 March 2015. The Association has a healthy cash balance and net current asset position and thus the Committee of Management are satisfied that there are sufficient resources in place to continue operations in the foreseeable future. Thus the Committee of Management continue to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Turnover

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

(d) Loans

Mortgage loans are advanced by Private Lenders or The Scottish Government 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 by The Scottish Government. Mortgage loans in the balance sheet include amounts due but not received.

(e) Social housing grant (SHG)

Social Housing Grant, at amounts approved by The Scottish Government, is paid directly to the Association as required to meet its liabilities during the development process.

SHG is repayable under certain circumstances primarily following sale of property, but will normally be restricted to net proceeds of sale.

SHG received as a contribution towards the capital cost of housing development is deducted from the cost of those developments. SHG received as a contribution towards revenue expenditure is included in turnover.

YORKHILL HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

1. Accounting Policies (continued..)

(f) Fixed assets - Housing properties

Housing properties are stated at cost, less social housing grants (SHG) and other public grants and less accumulated depreciation. The development cost of housing properties includes:-

1. Cost of acquiring land and buildings
2. Development expenditure including administration costs
3. Interest charged on the mortgage loans raised to finance the scheme

These costs are either termed "qualifying costs" by The Scottish Government for approved social housing grant schemes and are considered for mortgage loans by the relevant lending authorities or are met out of the Association's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value before retentions are included in the accounts for the year, provided that the dates of issue or valuation are prior to the year-end.

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

Interest is capitalised from first draw down of private finance according to the funding arrangements agreed by The Scottish Government. This will normally occur after SHG has been claimed up to the agreed limit.

All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale, except for first tranche sales. Any grants received that cannot be repaid from the proceeds of sale are abated.

Depreciation

(g) 1. Housing properties

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

Land	- not depreciated
Kitchens	- over 15 years
Bathrooms	- over 15 years
Structure	- over 50 years
Boilers	- over 12 years
Central heating	- over 24 years
Gutters	- over 20 years
Windows	- over 20 years
Tiles	- over 40 years
Lifts	- over 15 years
Flashings	- over 30 years

YORKHILL HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2014

1. Accounting Policies (continued..)

(g) Depreciation (continued)

2. Other fixed assets

Depreciation is charged on other fixed assets so as to write off the asset cost less any recoverable value over its anticipated useful life.

The following rates have been used:-

Furniture, Fittings & Equipment	- 20% straight line
Office Property	- over 15 years

A full year's depreciation is charged in the year of purchase. No charge is made in the year of disposal.

Designated Reserves (Note 15)

(h) (i) Cyclical maintenance

The reserve is based on the Association's liability to maintain the properties in accordance with a planned programme of works, provided it will not be met from revenue in the year in which it is incurred.

(ii) Major Repairs

The reserve is based on the Association's requirement to maintain housing properties in a state of repair which at least maintains their residual value in prices prevailing at the time of acquisition and construction. The reserve represents amounts set aside in respect of future costs and will be transferred to General Reserves as appropriate.

(iii) SST Property Reserve

The reserve comprises the dowry provided by Glasgow Housing Association as part of the second stage transfer. This dowry is a contribution towards the cost of the future major repairs and improvements expenditure which will be incurred by Yorkhill Housing Association Limited to bring the stock transferred up to the requirements of the Scottish Housing Quality Standard. The major repairs and improvements expenditure is capitalised and thus the SST Properties Reserve is released to the Revenue Reserve in line with the depreciation rate in respect of these capital repairs and improvements.

YORKHILL HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2014

1. Accounting Policies (continued..)

(i) Apportionment of management expenses

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

(j) Pensions (Note 24)

The Association contributes to a defined benefit scheme, the cost of which is written off to the income and expenditure account on an accruals basis. The assets of the scheme are held separately from those of the Association in an independently administered fund.

(k) Financial Commitments

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

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

YORKHILL HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2014

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

		2014			2013		
		Turnover £	Operating Costs £	Operating Surplus £	Turnover £	Operating Costs £	Operating Surplus £
INCOME AND EXPENDITURE FROM LETTINGS							
SOCIAL LETTINGS	Note 3	1,580,602	1,440,009	140,593	1,525,265	1,254,000	271,265
OTHER ACTIVITIES	Note 4	81,404	75,072	6,332	80,267	71,366	8,901
TOTAL		1,662,006	1,515,081	146,925	1,605,532	1,325,366	280,166

YORKHILL HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2014

3. PARTICULARS OF INCOME AND EXPENDITURE FROM LETTINGS

	General Needs Housing £	Commercial £	Supported Housing £	Shared Ownership £	Other £	2014 Total £	2013 Total £
INCOME FROM RENT AND SERVICE CHARGES							
Rent receivable net of service charges	1,344,519	5,400	139,682	-	-	1,489,601	1,438,809
Service charges	26,498	-	63,732	-	-	90,230	90,062
GROSS INCOME FROM RENTS AND SERVICE CHARGES	1,371,017	5,400	203,414	-	-	1,579,831	1,528,871
Less: Voids	(5,198)	-	(1,051)	-	-	(6,249)	(4,461)
NET INCOME FROM RENTS AND SERVICE CHARGES	1,365,819	5,400	202,363	-	-	1,573,582	1,524,410
Grants from the Scottish Ministers	1,549	-	-	-	-	1,549	855
Other income	5,471	-	-	-	-	5,471	-
TOTAL TURNOVER FROM SOCIAL LETTING ACTIVITIES	1,372,839	5,400	202,363	-	-	1,580,602	1,525,265
EXPENDITURE							
Management and Maintenance administration costs	756,768	-	39,294	-	-	796,062	729,594
Service Charges	23,304	-	50,442	-	-	73,746	81,740
Planned cyclical maintenance including major repairs	217,353	-	20,018	-	-	237,371	137,509
Reactive maintenance costs	178,077	-	10,265	-	-	188,342	170,387
Bad debts - rents and service charges	(154)	-	-	-	-	(154)	7,798
Depreciation of social housing	144,642	-	-	-	-	144,642	126,972
OPERATING COSTS FOR SOCIAL LETTING ACTIVITIES	1,319,990	-	120,019	-	-	1,440,009	1,254,000
OPERATING SURPLUS							
ON LETTING ACTIVITIES, 2014	52,849	5,400	82,344	-	-	140,593	271,265
ON LETTING ACTIVITIES, 2013	198,942	-	72,323	-	-	-	271,265

YORKHILL HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2014

4. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS FROM OTHER ACTIVITIES

	Grants from Scottish Ministers £	Other Revenue Grants £	Supporting People Income £	Other Income £	Total 2014 Total £	Turnover 2013 Total £	Operating Costs - Bad Debts £	Other Operating Costs £	2014 Total £	2013 Total £
Wider role activities	-	-	-	-	-	-	-	-	-	-
Care and repair of property	-	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-	-	-
Development and construction of property activities	-	-	-	53,978	53,978	51,091	-	70,630	(16,652)	(19,077)
Support activities	-	-	-	-	-	-	-	-	-	-
Care activities	-	-	27,426	-	27,426	28,136	-	2,715	24,711	28,136
Agency/management services for RSL's	-	-	-	-	-	-	-	676	(676)	(676)
Other Agency/management services	-	-	-	-	-	-	-	-	-	-
Development for sale to RSL's	-	-	-	-	-	-	-	-	-	-
Development and improvements for sale to non RSL's	-	-	-	-	-	-	-	-	-	-
Commercial Properties	-	-	-	-	-	-	-	-	-	-
Disabled Adaptations	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	1,040	-	1,051	(1,051)	518
TOTAL FROM OTHER ACTIVITIES, 2014	-	-	27,426	53,978	81,404	-	-	75,072	6,332	-
TOTAL FROM OTHER ACTIVITIES, 2013	-	-	28,136	52,131	-	80,267	-	71,366	-	8,901

YORKHILL HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2014

5. DIRECTORS' EMOLUMENTS

The Directors are defined as the members of the Management Committee, the Chief Executive and any other person reporting directly to the Chief Executive or the Management Committee. One Director's total emoluments exceed £60,000 per year. No emoluments were paid to any member of the Management Committee during the year.

	2014 £	2013 £
Aggregate emoluments payable to directors (including pension contributions and benefits in kind)	67,698	63,374
Emoluments payable to highest paid director (excluding pension contributions)	62,153	58,114
Total expenses reimbursed insofar as not chargeable to UK income tax	1,901	59

6. EMPLOYEE INFORMATION

The average number of full time equivalent employees during the year was

Staff costs were:-

Wages and Salaries
Social Security Costs
Pension Contributions

Number	Number
15	15
£	£
498,459	453,428
40,354	38,242
55,830	54,440
594,643	546,111

YORKHILL HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2014

7. INTEREST PAYABLE	2014	2013
	£	£
On private loans	87,243	89,920
8. INTEREST RECEIVABLE AND OTHER INCOME	2014	2013
	£	£
Interest receivable on deposits	27,678	31,875
9. SURPLUS ON ORDINARY ACTIVITIES BEFORE TRANSFERS	2014	2013
	£	£
Surplus on ordinary activities before taxation is stated after charging:-		
Depreciation	170,457	158,442
Auditor's remuneration		
- in their capacity as auditor	14,630	16,081
- other services	230	2,625
(Loss) / gain on disposal of fixed assets	(145)	22,320

YORKHILL HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2014

10. TANGIBLE FIXED ASSETS

	Housing Properties Held For General Letting £	Housing Properties Held for Supported Letting £	Office Properties £	Furniture Fittings & Equipment £	Total £
COST:					
At 1 April 2013	14,522,969	1,543,102	546,006	100,024	16,712,101
Additions during year	315,755	7,898	-	10,082	333,735
Disposals during year	(215,687)	(501)	-	(28,533)	(244,721)
As at 31 March 2014	14,623,037	1,550,499	546,006	81,573	16,801,115
HAG and other grants					
At 1 April 2013	12,381,207	1,340,875	-	-	13,722,082
Additions during year	12,699	2,794	-	-	15,493
Disposals during year	(190,078)	-	-	-	(190,078)
As at 31 March 2014	12,203,828	1,343,669	-	-	13,547,497
DEPRECIATION:					
At 1 April 2013	512,309	37,834	85,710	72,759	708,612
Provided during the year	132,642	12,000	9,501	16,314	170,457
Disposals during the year	(25,665)	(300)	-	(28,533)	(54,498)
As at 31 March 2014	619,286	49,534	95,211	60,540	824,571
NET BOOK VALUE:					
As at 31 March 2014	1,799,923	157,296	450,795	21,033	2,429,047
As at 31 March 2013	1,629,453	164,393	460,296	27,265	2,281,407

YORKHILL HOUSING ASSOCIATION LIMITED
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For the year ended 31 March 2014

11. DEBTORS:	2014	2013
	£	£
Amounts falling due within one year:		
Arrears of Rent and Service Charges	116,206	99,754
Less: Provision for doubtful debts	(41,484)	(41,484)
	74,722	58,270
Prepayments and accrued income	97,887	104,098
Other debtors	16,448	47,921
VAT recoverable	1,107	667
	190,164	210,826

12. CREDITORS: Amounts falling due within one year	2014	2013
	£	£
Housing Loans	52,763	51,390
Trade Creditors	75,065	125,317
Other taxation and social security	-	11,003
Other Creditors	94,365	99,711
Accruals and deferred income	79,575	36,053
Rent paid in advance	61,840	54,741
Pension creditor	6,692	11,693
	370,300	389,908

13. CREDITORS: Amounts falling due after more than one year	£	£
Housing Loans	1,661,951	1,716,087

Housing Loans are secured by specific charges on the Association's properties and are repayable at varying rates of interest in instalments, due as follows:-

	£	£
Between one and two years	52,763	51,390
Between two and five years	158,290	154,170
After five years	1,450,898	1,510,527
	1,661,951	1,716,087

YORKHILL HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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	2014 £	2013 £
14. SHARE CAPITAL:		
At 1 April 2013	149	155
Shares of £1 each fully paid and issued in the year	5	3
Shares forfeited in the year	(22)	(9)
At 31 March 2014	132	149

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.

	Cyclical Maintenance Reserve £	SST Property Reserve £	Major Repairs Reserves £	Total £
15. DESIGNATED RESERVES				
At 1 April 2013	108,092	377,013	1,139,358	1,624,463
Gross transfers for the year	-	-	-	-
As at 31 March 2014	108,092	377,013	1,139,358	1,624,463

	2014 £	2013 £
16. REVENUE RESERVES		
At 1 April 2013	690,288	584,927
Surplus for the year	87,215	105,361
As at 31 March 2014	777,503	690,288

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**17. RECONCILIATION OF OPERATING SURPLUS TO NET CASH
INFLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Operating Surplus for the Year	146,925	280,166
Depreciation	170,457	158,442
Movement in debtors	20,662	37,006
Movement in creditors	(20,982)	21,291
NET CASH INFLOW FROM OPERATING ACTIVITIES	317,062	496,905

18. GROSS CASH FLOWS

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	27,678	31,875
Interest Paid	(87,243)	(89,920)
	(59,565)	(58,045)
Capital expenditure		
Purchase and development of housing properties	(323,653)	(283,144)
HAG and other grants received	15,493	8,547
Payments to acquire other tangible fixed assets	(10,082)	(1,284)
Proceeds of fixed asset sale	-	139,080
	(318,242)	(136,801)
Financing		
Issue of ordinary share capital	5	3
Shares forfeited	(22)	(9)
Loans repaid	(52,762)	(54,240)
	(52,779)	(54,246)

19 ANALYSIS OF CHANGES IN NET CASH

	At 1st April 2013	Cash Flow	Other Changes	At 31st March 2014
Cash in hand, at bank	1,928,662	(113,524)	-	1,815,138
Debt due within 1 year	(51,390)	-	(1,373)	(52,763)
Debt due after 1 year	(1,716,087)	-	54,136	(1,661,951)
	161,185	(113,524)	52,763	100,424

YORKHILL HOUSING ASSOCIATION LIMITED
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**20 RECONCILIATION OF NET CASH FLOW TO
MOVEMENT IN NET DEBT**

	2014	2013
	£	£
(Decrease)/increase for the year	(113,524)	247,813
Cash used to repay loans	52,763	51,389
Change in net cash	(60,761)	299,202
Net Cash at 1 April 2013	161,185	(138,017)
Net cash at 31.March 2014	100,424	161,185

21. HOUSING STOCK

	Number	Number
The number of units of accommodation in management at the year end was:-		
General Needs Housing	431	431
Supported Housing	39	39
	470	470

22 LEGISLATIVE PROVISIONS

The Association is incorporated under the Industrial and Provident Societies Act 1965.

23 CAPITAL COMMITMENTS

	2014	2013
	£	£
Contracted for but not provided for in these accounts	-	25,611
This is to be funded by:		
HAG	-	-
Private finance	-	25,611
	-	25,611

24. PENSION OBLIGATIONS

Defined Benefit scheme

Yorkhill Housing Association Limited participates in the Scottish Housing Associations' Pension Scheme ('the Scheme'). The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted-out of the State Pension Scheme.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to an individual participating employer as the Scheme as 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 an decrease in the shortfall of assets compared to liabilities to approximately £272 million, equivalent to a past service funding level of 63%.

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 employers' 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-cut market. The amounts of debt can therefore be volatile over time.

Yorkhill Housing Association Limited 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 2013. As of this date the estimated employer debt for Yorkhill Housing Association Limited was £1,833,121.

The Scheme offers live 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

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.

YORKHILL HOUSING ASSOCIATION LIMITED
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24. PENSION OBLIGATIONS (continued)

Yorkhill Housing Association Limited has elected to operate the final salary with a 1/60th accrual rate benefit structure for active members and defined contribution for new members from 1 April 2011.

During the accounting period Yorkhill Housing Association Limited paid contributions to the final salary scheme at the rate of 9.6% of pensionable salaries. Member contributions were 9.6%.

As at the balance sheet date, there were 13 active members (2013: 13) of the Scheme employed by Yorkhill Housing Association Limited.

Yorkhill Housing Association Limited has closed the Scheme to new entrants from 1 April 2011.

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

2009 Valuation Assumptions % p.a.

Investment return pre retirement 5.3

Investment return post retirement – non pensioners 3.4

Investment return post retirement – pensioners 3.4

Rate of salary increases 4.1

Rate of pension increases

Pension accrued pre 6 April 2005 in excess of GMP 2.0

Pension accrued post 5 April 2005

(for leavers before 1 October 1993 pension increases are 5.0%)

1.7

Rate of price inflation 2.6

Mortality Tables

Non-pensioners - 44% of SP1MA (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 SP1MA (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.

Contribution Rates for Future Service (payable from 1 April 2012) %

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 additional contributions.

YORKHILL Housing Association Limited

Registered Office at:

1271 Argyle Street

Glasgow

G3 8TH

Tel: (0141) 285 7910

e-mail: mmenabney@yorkhillha.org