

DALMUIR PARK HOUSING ASSOCIATION LIMITED

(REGISTERED NUMBER 1917 R S)

(REGISTERED CHARITY NUMBER SC033471)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2015

FRENCH DUNCAN LLP

Chartered Accountants & Statutory Auditor

133 Finnieston Street

Glasgow

G3 8HB

DALMUIR PARK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2015

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DALMUIR PARK HOUSING ASSOCIATION**MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS****YEAR ENDED 31 March 2015****Management Committee**

Chairperson	Christine Bradley	
Vice Chair	Alison Quinn	
Secretary	Karen Hillhouse	(resigned 05/05/15)
Treasurer	John Gilleece	
Committee Member	Laurie Mackay	(resigned 10/09/14)
Committee Member	Anne Meikle	
Committee Member	Marion Birnie	
Committee Member	Jim Laverty	
Committee Member	Jim Hutchison	
Co-opted Member	Seonaid McDonald	
Co-opted Member	Councillor Gail Casey	

Executive Officers

Director	Patrick Gilbride
Head of Finance and Corp. Services	Terrie Jack
Housing Manager	John Mallon
Property Services Manager	Charles MacLellan

Registered Office

Beardmore House
631 Dumbarton Road
Dalmuir
Clydebank
G81 4EU

Auditors

French Duncan LLP
Chartered Accountants & Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB

Bankers

Bank of Scotland

Solicitors

TLT Scotland
140 West George Street
Glasgow
G2 2HG

DALMUIR PARK HOUSING ASSOCIATION**REPORT OF THE MANAGEMENT COMMITTEE****YEAR ENDED 31 March 2015****Report of the Management Committee**

The Management Committee presents its report and the financial statements for the year ended 31 March 2015.

Legal Status

The Association is registered as a non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014. The Association is constituted under its rule book.

Principal Activities

The principal activity of the Association is to maximise its impact as a social landlord in the local community through the provision of wide ranging quality services.

Strategic Objectives

- (i) The Association seeks to provide, manage and maintain desirable, quality, affordable housing in Dalmuir and surrounding areas in response to local housing need.
- (ii) The Association wishes to promote community control of the Association.
- (iii) The Association wishes to contribute to the improvement of social, physical, environmental and economic conditions in the local community.
- (iv) The Association will try to ensure that all services are managed and monitored by highly competent staff and committee members working within an effective strategic framework based on plans, policies and procedures.

Key Policies

- (i) **Allocations Policy** – The Association has established a points based allocations system so that houses are made available to those in housing need.
- (ii) **Rent Policy** - A rent policy has been formulated after conducting income surveys, to ensure that rents are at first affordable but also comparable to other housing providers and which also allows the Association to remain a viable entity by being able to meet all of its present and future financial obligations.
- (iii) **Major Repairs** -The Association recognises its obligation to provide major repairs to its properties when required and life cycle costing exercises have been carried out to identify the extent of such repairs over each property's expected life span. It had been anticipated that funding would have been available to fund the major repairs of older developments but this may now not be the case and the Association may have to fund these projects from its own resources. This has been recognised within the Association's rent policy.

DALMUIR PARK HOUSING ASSOCIATION**REPORT OF THE MANAGEMENT COMMITTEE****YEAR ENDED 31 March 2015****Report of the Management Committee (continued)****(iv) Reserves:**

- a) Designated Reserves - The Association has set aside funds into major repair reserve accounts in order to recognise that surpluses made from rented properties will be reinvested in these properties in the form of major repairs as and when required.
- b) Revenue Reserves – The Association’s long term aim is to build reserves to a level equivalent to 25% of turnover (currently £0.75m) to cover operational working capital requirements and also property risk over the next five years.

The balances in these reserve funds are shown in the notes accompanying these financial statements.

- (v) **Treasury Management** – The Association has a treasury management policy which is based on CIPFA’s Code of Practice “Treasury Management for Housing Associations” and is designed to minimise the risk on investments whilst ensuring an acceptable return and limiting the Association’s exposure to sudden rises in interest rates by having a balanced portfolio containing loans with variable interest rates and loans with fixed interest rates.

Review of Business and Future Developments**Financial Review**

The Management Committee is satisfied with the Association’s financial performance during the year and is pleased to report a surplus for the year of £549,178 (2014 – Surplus £482,759).

Turnover for the year increased by 6.75% to £2,993,471 (2014 - £2,803,921) whilst operating costs increased by 6.7% to £2,453,074 (2014 - £2,299,558).

The Association’s investments consist of a programmed outlay of £380,000 on shares held within a Corporate Bond Fund managed by HBOS UK Investments Funds. The Corporate Bond Fund is a cautious-medium risk fund which aims to provide an above average income from a diversified portfolio of interest bearing securities. This portfolio has been exposed to the turbulence in the global financial markets over the past few years and the value of the shares held by the Association at the end of March was valued at £356,110 (2014 - £333,992), providing an unrealised gain for the year of £22,118 (2014 - loss £5,161).

The Association has also been able to continue with its cyclical and major repairs programme and spent £601,018 in projects, which included the provision of new kitchens, bathrooms and central heating to many of its properties.

The Association’s cash balance at March 2015 increased to £2,112,187 (2014 - £1,586,271) an increase of £525,916 and revenue reserves increased to £644,341 (2014 - £619,699) whilst designated reserves increased to £5,333,554 (2014 - £4,809,018).

DALMUIR PARK HOUSING ASSOCIATION

REPORT OF THE MANAGEMENT COMMITTEE

YEAR ENDED 31 March 2015

Report of the Management Committee (continued)

Wider Role

The Association prioritises many social interaction activities which, when added to our own budgeted expenditure on community development, donations and activities, ensures that we create a varied range of initiatives involving the widest cross section of the community possible.

The Association has also demonstrated its commitment to wider action by creating a new community trust, the Beardmore Trust, which will create wider community involvement and increased financial support for community projects. Association sponsorship enabled the Trust to deliver the usual wide range of community projects to our tenants.

The two most significant wider role projects of Lynx Care and Dalmuir Out of School Care together produced a surplus of £24,536 (2014- £7,758).

The Future

The Association reviewed its development strategy as part of the Business Planning process, with the conclusion being made that there will be no further housing development in the foreseeable future for reasons relating to risk management, funding availability, inadequacy of local sites and potential housing quality and cost. The Association will instead re-focus its attention on the quality of existing housing stock and services.

The Association also intends to continue with smaller scale projects such as special needs adaptations. We hope to continue to develop the role of The Beardmore Trust to assist with our plans for community regeneration and other wider role projects.

The Association intends to continue with its major repairs programme with plans to spend almost £656,000 in the forthcoming year on various planned maintenance projects.

Supporting People Grant

The Supporting People Grant came into effect on 1 April 2003 and allows local authorities to fund the costs of support services provided to people in the community. The Association now provides three services which qualify for Supporting People Grant; a sheltered housing service, a community alarm service and the Lynx Care Project.

The Association entered into an interim agreement with West Dunbartonshire Council regarding the provision of these support services and the Council paid £134,692 (2014 - £121,330) to the Association as Supporting People Grant.

DALMUIR PARK HOUSING ASSOCIATION

REPORT OF THE MANAGEMENT COMMITTEE

YEAR ENDED 31 March 2015

Report of the Management Committee (continued)

Statement of Management Committee's Responsibilities

The Management Committee is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Statute 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 year. In preparing those financial statements the Management Committee is required to:

- select suitable accounting policies and 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 and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements April 2012. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Management Committee confirms that the financial statements comply with the above requirements.

DALMUIR PARK HOUSING ASSOCIATION

REPORT OF THE MANAGEMENT COMMITTEE

YEAR ENDED 31 March 2015

Report of the Management Committee (continued)

Internal Financial Control

The Management Committee recognises that it is responsible for the systems of internal financial control and accepts that such systems can only provide reasonable and not absolute assurance against material misstatement or loss.

To discharge this responsibility the Management Committee will continue to establish an organisational structure with clearly defined levels of responsibility and authority and with appropriate reporting procedures. Included within these key procedures will be the following internal financial controls:

- the formulation of policies and procedures relating to all areas of finance including; receipt of income, approval of capital and revenue expenditure, and treasury management.
- a formal system of policy reviews.
- an internal audit programme which reviews the suitability of policies and procedures and controls.
- an audit committee which oversees the function and performance of both internal and external auditors and which receives reports from internal and external auditors.

The Audit Committee is made up of members of the full Management Committee and the Association has now completed the third phase of a new three year internal audit plan this year.

The Audit Committee have received reports of work undertaken during the year and have in turn reported to the Management Committee.

Related Party Transactions

Several members of the Association's Management Committee are tenants. Their tenancies are on the Association's normal tenancy terms and they cannot use their position to their advantage.

Disclosure of Information to Auditors

Each of the directors have confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution to re-appoint French Duncan LLP as auditors will be proposed at the Annual General Meeting.

By order of the Management Committee.

Christine Bradley
Chairperson
Date:

DALMUIR PARK HOUSING ASSOCIATION

AUDITOR'S REPORT ON CORPORATE GOVERNANCE MATTERS

YEAR ENDED 31 March 2015

In addition to our audit of the Financial Statements, we have reviewed your statement on page 6 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 6 has provided the disclosures required by the relevant Regulatory Standards within the Publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through 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.

French Duncan LLP
Statutory Auditors
133 Finnieston Street
Glasgow
G3 8HB

Date:

DALMUIR PARK HOUSING ASSOCIATION
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DALMUIR PARK HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Dalmuir Park Housing Association for the year ended 31 March 2015 on pages 9 to 28. 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 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 Committee and auditor

As explained more fully in the Committee's Responsibilities Statement set out on page 5, the Committee 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 APB's website 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 2015 and of its income and expenditure for the year then ended; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements April 2012.

Matters arising 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 of the Association; or
- we have not received all the information and explanations we require for our audit.

French Duncan LLP
Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB
Date:

DALMUIR PARK HOUSING ASSOCIATION LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 March 2015

	Notes	2015 £	2014 £
Turnover	2	2,993,471	2, 803,921
Operating costs	2	<u>(2,453,074)</u>	<u>(2, 299,558)</u>
OPERATING SURPLUS	6	540,397	504,363
Gain on sale of housing accommodation	7a	-	-
Unrealised Gain/(Loss) on Investments	7b	22,118	(5,161)
Interest receivable	8a	17,979	17,430
Interest payable	8b	<u>(31,316)</u>	<u>(33,873)</u>
SURPLUS FOR THE YEAR		<u>549,178</u>	<u>482,759</u>

The results for the year relate wholly to the continuing activities.

The Association has no recognised gains and losses other than those dealt with in the Income and Expenditure Account.

The notes on pages 12 to 28 form part of these financial statements

DALMUIR PARK HOUSING ASSOCIATION LIMITED

BALANCE SHEET

AS AT 31 March 2015

	Notes	2015 £	2014 £
TANGIBLE FIXED ASSETS			
Housing Properties-			
Gross cost less depreciation	10a.	28,222,156	28,113,931
Less: Social Housing Grant	10a.	(24,153,323)	(24,202,471)
Less: Other grants		(255,234)	(255,234)
		<u>3,813,599</u>	<u>3,656,226</u>
Other fixed assets	10b.	408,627	442,401
Investments	10c.	356,110	333,992
		<u>4,578,336</u>	<u>4,432,619</u>
CURRENT ASSETS			
Debtors	11	400,436	391,095
Cash at bank and in hand		2,112,187	1,586,271
		<u>2,512,623</u>	<u>1,977,366</u>
CURRENT LIABILITIES			
Creditors due within one year	12	(446,326)	(236,209)
NET CURRENT ASSETS			
		<u>2,066,297</u>	<u>1,741,157</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		6,644,633	6,173,776
CREDITORS			
Amounts falling due after more than one year	13	(666,537)	(744,858)
NET ASSETS			
		<u>5,978,096</u>	<u>5,428,918</u>
CAPITAL AND RESERVES			
Share Capital	14	201	200
Designated Reserves	15	5,333,554	4,809,018
Revenue Reserves	16	644,341	619,699
		<u>5,978,096</u>	<u>5,428,918</u>

Approved by the Management Committee on

Christine Bradley **CHAIRPERSON**John Gilleece **TREASURER**Alison Quinn **VICE - CHAIR**

The notes on pages 12 to 28 form part of these financial statements.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 March 2015

	Notes	2015 £	2014 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	17	<u>1,071,305</u>	<u>738,418</u>
Return on investments and servicing of finance:			
Interest received	17,979		17,430
Interest paid	(31,316)		(33,873)
			<u></u>
NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>(13,337)</u>	<u>(16,443)</u>
Taxation		<u>-</u>	<u>-</u>
Capital Expenditure:			
Acquisition and construction of Housing Properties	(8,183)		-
Purchase of other fixed assets	(41,970)		(21,441)
Component Installations	(408,842)		(148,604)
Capital grants received	-		-
Capital grants repaid	(49,148)		-
Capital grant abatement	3,912		-
Receipts from sale of tangible assets	46,000		-
		<u></u>	<u></u>
NET CASH (OUTFLOW) FROM CAPITAL EXPENDITURE		<u>(458,231)</u>	<u>(170,045)</u>
NET CASH/INFLOW(OUTFLOW) BEFORE FINANCING		599,737	551,930
Financing:			
Loans repaid		(73,822)	(71,246)
Shares issued		9	6
Shares cancelled		(8)	(14)
		<u></u>	<u></u>
NET CASH (OUTFLOW) FROM FINANCING		<u>(73,821)</u>	<u>(71,254)</u>
INCREASE IN CASH		<u><u>525,916</u></u>	<u><u>480,676</u></u>

The notes on pages 12 to 28 form part of these financial statements.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2015

1. Accounting Policies

The Association is established under the provisions of the Co-operative and Community Benefit Societies Act 2014 and is registered with the Financial Conduct Authority.

The financial statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice – Accounting by Registered Social Landlords issued in 2010 and comply with the Determination of Accounting Requirements April 2012. The principal accounting policies are set out below:

1.1 Basis of Accounting

The financial statements are based on the historical cost convention.

1.2 Turnover

Turnover represents rental and service charge income receivable, other fees and charges receivable and revenue grants receivable from the Scottish Government, local authorities and other agencies.

1.3 Social Housing Grant (SHG)

Where new developments have been funded wholly or partly by Social Housing Grant or other capital grant, the cost of those developments has been reduced by the amount of grant receivable. This amount is shown separately in the Balance Sheet.

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

Social Housing Grant is repayable under certain circumstances, primarily following the sale of housing property, but this will be restricted to the net proceeds of any such sale.

1.4 Tangible Fixed Assets – Housing Properties

Housing Properties are stated at cost less Social Housing Grants and other grants and accumulated depreciation.

1.5 Other Fixed Assets

Other fixed assets are stated at cost less accumulated depreciation.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2015 (Continued)

1.7 Depreciation

Housing Properties

The Association depreciates housing properties by major component on a straight line basis over the expected economic useful lives of each identified component. The Association also performs an annual impairment review where appropriate in accordance with FRS 11. All components are categorised as Housing Properties. No depreciation is charged on the cost of land.

Component	Useful Economic Life
Kitchen	10 years
Central Heating System	15 years
Bathroom	15 years
Windows	25 years
Structure	(a mixture of 50 & 100 years)

Other fixed assets

Depreciation is charged on other fixed assets as follows:

Commercial Property	- 6 ² / ₃ % straight line
Computers and other Office Equipment	- 20% straight line
Furniture and Fittings	- 15% reducing balance
Furniture for Furnished Accommodation	- 33 ¹ / ₃ % straight line
Laundry Equipment in Sheltered Accommodation	- 20% straight line

1.8 Capitalisation of Interest

Interest accrued on financing a new development is capitalised up to the date of completion of the development.

1.9 Development Administration Costs

Development Administration Costs relating to new developments are capitalised based on the time spent by staff on these activities.

1.10 Cyclical and Major Repairs

The costs of cyclical and major repairs are included in the Income and Expenditure Account in the year in which they are incurred.

DALMUIR PARK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 March 2015 (Continued)****1.11 Designated Reserves**i Cyclical Maintenance Reserve

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

ii Major Repairs Reserve – Various

The Association maintains its housing properties in a state of repair which at least maintains their residual value in prices prevailing at the time of acquisition and construction. Provision is made for such future repair expenditure and the actual costs of repairs is charged to this reserve.

iii Wider Action

The Association has earmarked these reserves to meet the future commitments to community projects in the Wider Action Plan.

1.12 Pensions

The Association has a policy which allows an employer's contribution to be paid into an employee's own personal pension scheme. The amount the employee contributes into his/her own personal scheme is determined by that employee. The Association's contribution will be twice that of the employee's contribution up to a maximum of 24.6% of the employee's basic annual salary.

The Association also participates in the SFHA Pension Scheme which is 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. For details please refer to Note 25.

1.13 Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against surpluses on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2015 (Continued)

2. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	2015				2014			
	Turnover £	Cost of Sales £	Operating Costs £	Operating Surplus/(Deficit) £	Turnover £	Cost of Sales £	Operating Costs £	Operating Surplus £
INCOME AND EXPENDITURE FROM SOCIAL LETTINGS (Note 3a)	2,427,489	-	(1,893,247)	534,242	2,306,810	-	(1,777,922)	528,888
OTHER INCOME AND EXPENDITURE								
Other Activities (Note 3b)	565,982	-	(559,827)	6,155	497,111	-	(521,636)	(24,525)
TOTAL	2,993,471	-	(2,453,074)	540,397	2,803,921	-	(2,299,558)	504,363

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2015 (Continued)

3. PARTICULARS OF INCOME AND EXPENDITURE

a) FROM SOCIAL LETTINGS

	<i>General Needs Housing</i>	<i>Supported Housing Accommodation</i>	<i>Shared Ownership Housing</i>	<i>Other</i>	<i>Total</i>	<i>Total for previous period of account</i>
	£	£	£	£	£	
Rents receivable net of service charges	1,916,736	221,683	56,099	-	2,194,518	2,033,199
Service Charges	234,367	18,871	-	-	253,238	179,539
Gross income From rents and Service charges	2,151,103	240,554	56,099	-	2,447,756	2,212,738
Less voids	(25,539)	(4,751)	(3,625)	-	(33,915)	(25,978)
Net income from Rents & service Charges	2,125,564	235,803	52,474	-	2,413,841	2,186,760
Grants from the Scottish Ministers	11,037	2,611	-	-	13,648	26,311
Other revenue Grants	-	-	-	-	-	-
Total turnover from Social letting Activities	2,136,601	238,414	52,474	-	2,427,489	2,213,071
Management and Maintenance Administration costs	527,036	62,530	5,678	-	595,244	650,004
Service costs	221,315	4,595	-	-	225,910	148,316
Planned and Cyclical Maintenance including Major Repairs costs	130,574	6,415	-	-	136,989	88,454
Reactive maintenance costs	626,913	25,017	-	-	651,930	623,323
Bad debts – rents and service charges	24,287	-	-	-	24,287	26,424
Depreciation of Social housing	230,277	27,321	1,289	-	258,887	241,401
Impairment of Social housing	-	-	-	-	-	-
Operating costs for Social letting Activities	1,760,402	125,878	6,967	-	1,893,247	1,777,922
Operating surplus or Deficit for social Lettings	376,199	112,536	45,507	-	534,242	528,888
Operating surplus or Deficit for social Letting for previous Period of letting	384,269	99,588	45,031	-	528,888	

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2015

3. b) FROM OTHER ACTIVITIES

	Grants from Scottish Ministers	Other Revenue Grants	Supporting People Income	Other Income	Total Turnover	Operating Costs - bad debts	Other Operating Costs	Operating Surplus or deficit	Operating Surplus or deficit for previous period
	£	£	£	£	£	£	£	£	£
Wider Role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	-	-	-	2,055	2,055	-	21,988	(19,933)	(16,736)
Care & repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	133,716	133,716	-	145,027	(11,311)	(4,991)
Development & construction of property activities	1,352	-	-	-	1,352	-	-	1,352	25
Support Services	-	-	-	-	-	-	-	-	-
Care activities	-	-	134,692	294,167	428,859	-	392,812	36,047	(2,823)
Agency/management services for registered social landlords	-	-	-	-	-	-	-	-	-
Other agency/management services	-	-	-	-	-	-	-	-	-
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-	-
Developments for sale to non registered social landlords	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	-	-	-	-	-	-
Total from other activities	1,352	-	134,692	429,938	565,982	-	559,827	6,155	(24,525)
Total from other activities from previous period of account	969	-	121,330	374,812	497,111	-	521,636	(24,525)	

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2015 (Continued)

4. DIRECTORS' EMOLUMENTS	2015	2014
	£	£
Total Emoluments (including pension contributions and benefits in kind)	<u>176,599</u>	<u>98,228</u>
Total Emoluments (excluding pension contributions of highest paid Director)	<u>150,113</u>	<u>83,676</u>

The number of senior employees (including the Director) who received emoluments in excess of £60,000 (excluding pension contributions) in the following ranges were:

	Number	Number
£60,000 to £70,000	1	-
£70,000 to £80,000	-	-
£80,000 to £90,000	1	1

The Management Committee of the Association are all classed as Directors of the Association. All perform their duties on a voluntary basis and have no emoluments from the Association. In addition, the Director (the senior employee) and any other person who reports directly to the Director or the Management Committee whose total emoluments exceed £60,000 per year is similarly classed.

The Director has a pension arrangement to which the Association contributes. The Association's contributions for the director in the year amounted to £19,074 (2014 - £14,552).

MEMBERS' EXPENSES	2015	2014
	£	£
Total expenses reimbursed in so far as not chargeable to United Kingdom Income Tax		
Management Committee	<u>851</u>	<u>1,799</u>

5. EMPLOYEE INFORMATION	2015	2014
	Number	Number
The average weekly number of persons employed during the year was:		
Core staff	18	17
Care staff	18	21
	<u>36</u>	<u>38</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2015 (Continued)

5. EMPLOYEE INFORMATION (Continued)

	2015	2014
	£	£
Staff costs:		
Wages and Salaries	829,064	768,599
Social Security Costs	67,171	63,859
Pension Costs	97,396	80,774
	<u>993,631</u>	<u>913,232</u>
Care staff salary costs included in Staff costs above	<u>305,092</u>	<u>281,155</u>

6. OPERATING SURPLUS

	2015	2014
	£	£
The Operating Surplus is stated after charging:-		
Depreciation	334,632	313,600
Auditors' Remuneration	10,696	10,696
Pension Deficit Included in Pension Costs	<u>25,895</u>	<u>31,423</u>

7 a) GAIN ON SALE OF HOUSING ACCOMMODATION

In the year to 31 March 2015 Dalmuir Park Housing Association had no gains on sale of housing accommodation (2014 - nil).

7 b) GAIN/(LOSS) ON INVESTMENTS

	2015	2014
	£	£
Impairment/(Impairment) reversal	<u>22,118</u>	<u>(5,161)</u>

8 a) INCOME FROM INVESTMENTS

	2015	2014
	£	£
Bank Interest Receivable	<u>17,979</u>	<u>17,430</u>

8 b) INTEREST PAYABLE

	2015	2014
	£	£
Loans	<u>31,316</u>	<u>33,873</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2015 (Continued)

9. TAXATION

No taxation is payable by the Association as it is recognised as a Charity by the Inland Revenue.

10. TANGIBLE FIXED ASSETS

10 a) HOUSING PROPERTIES

	Properties For Letting £	Land Held For Development £	Shared Ownership Properties £	Total £
COST				
At 1 April 2014	28,278,663	431,495	1,206,885	29,917,043
Additions	417,025	-	-	417,025
Disposals	(49,912)	-	-	(49,912)
Transfers	-	-	-	-
At 31 March 2015	<u>28,645,776</u>	<u>431,495</u>	<u>1,206,885</u>	<u>30,284,156</u>
SOCIAL HOUSING GRANT				
At 1 April 2014	23,245,771	-	956,700	24,202,471
Additions	-	-	-	-
Disposals	(49,148)	-	-	(49,148)
Transfers	-	-	-	-
At 31 March 2015	<u>23,196,623</u>	<u>-</u>	<u>956,700</u>	<u>24,153,323</u>
OTHER GRANTS				
At 1 April 2014	255,234	-	-	255,234
Additions	-	-	-	-
Disposals	-	-	-	-
Transfers	-	-	-	-
At 31 March 2015	<u>255,234</u>	<u>-</u>	<u>-</u>	<u>255,234</u>
DEPRECIATION				
At 1 April 2014	1,775,729	-	27,383	1,803,112
Charge for year	257,210	-	1,677	258,887
Disposals	-	-	-	-
Transfers	-	-	-	-
At 31 March 2015	<u>2,032,939</u>	<u>-</u>	<u>29,060</u>	<u>2,061,999</u>
NET BOOK VALUE				
At 31 March 2015	<u>3,160,980</u>	<u>431,495</u>	<u>221,125</u>	<u>3,813,600</u>
At 31 March 2014	<u>3,001,929</u>	<u>431,495</u>	<u>222,802</u>	<u>3,656,226</u>

Capitalised interest and development expenditure included in capital expenditure for the year amounted to £Nil (2014 - £Nil)

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2015 (Continued)

10 b) OTHER FIXED ASSETS

	Office Furniture And Equipment	Commercial Properties	TOTAL
			£
Cost			
As at 1 April 2014	790,046	396,913	1,186,959
Additions	25,749	-	25,749
Disposals	-	-	-
As at 31 March 2015	<u>815,795</u>	<u>396,913</u>	<u>1,212,708</u>
Grant Income			
As at 1 April 2014	-	25,500	25,500
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2015	<u>-</u>	<u>25,500</u>	<u>25,500</u>
Depreciation			
As at 1 April 2014	536,749	182,309	719,058
Charge for year	50,732	25,013	75,745
Disposals	-	-	-
As at 31 March 2015	<u>587,481</u>	<u>207,322</u>	<u>794,803</u>
Net Book Value			
As at 31 March 2015	<u>228,314</u>	<u>164,091</u>	<u>392,405</u>
As at 31 March 2014	<u>253,297</u>	<u>189,104</u>	<u>442,401</u>

10 c) INVESTMENTS

	2015 £	2014 £
Cost		
As at 1 April 2014 and 31 March 2015	<u>380,000</u>	<u>380,000</u>
Provision for Loss on Investments		
As at 1 April 2014	(46,008)	(40,847)
Movement	22,118	(5,161)
As at 31 March 2015	<u>(23,890)</u>	<u>(46,008)</u>
Net Book Value		
As at 31 March 2015	<u>356,110</u>	<u>333,992</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2015 (Continued)

11. DEBTORS	2015 £	2014 £
Amounts falling due within one year:-		
Arrears of rent and service charges	303,824	290,869
Less provision for doubtful debts	(50,000)	(40,000)
	<u>253,824</u>	<u>250,869</u>
Grants Receivable	33,979	17,932
Other Debtors	112,633	122,294
	<u>400,436</u>	<u>391,095</u>

12. CREDITORS DUE WITHIN ONE YEAR	2015 £	2014 £
Loans	76,500	72,000
Other taxes and social security costs	-	-
Trade Creditors	137,149	39,460
Accruals	152,875	51,099
Deferred Income	-	-
Other Creditors	6,969	13,368
Rent in Advance	72,833	60,282
	<u>446,326</u>	<u>236,209</u>

Included in other creditors are amounts due to pension companies of £3,789 (2014 - £9,791)

13. CREDITORS DUE AFTER ONE YEAR	2015 £	2014 £
Housing loans		
- between one and two years	79,500	74,500
- between two and five years	259,500	241,500
- due after five years	327,537	428,858
	<u>666,537</u>	<u>744,858</u>

Loans are secured by specific charges on the Association's properties and are repayable at varying rates of interest in instalments as shown.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2015 (Continued)

	2015 £	2014 £
14. SHARE CAPITAL		
Called up, issued and fully paid: Shares of £1 each		
As at 1 April 2014	200	208
Issued in year	9	6
Cancelled in year	(8)	(14)
As at 31 March 2015	<u>201</u>	<u>200</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends or distributions on a winding up. Each member has a right to vote at members' meetings.

Under the Association's rules share capital is non refundable if a person ceases to be a member.

15. DESIGNATED RESERVES

	Opening Balance £	Movement £	Transfer £	Closing Balance £
Major Repairs	3,756,839	(446,501)	796,501	4,106,839
Cyclical Maintenance	700,000	(93,077)	243,077	850,000
Former Scottish Homes Stock	250,000	(61,440)	61,440	250,000
Wider Action	102,179	24,536	-	126,715
	<u>4,809,018</u>	<u>(576,482)</u>	<u>1,101,018</u>	<u>5,333,554</u>

16. REVENUE RESERVE

	2015 £
At 1 April 2014	619,699
Surplus for the year	549,178
Net Transfer to Designated Reserves	(524,536)
At 31 March 2015	<u>644,341</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2015 (Continued)

17. RECONCILIATION OF SURPLUS TO NET CASHFLOW
FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating Surplus	540,397	504,363
Depreciation	334,632	313,600
(Increase)/Decrease in debtors	(9,340)	(309)
Increase/(Decrease) in creditors	205,616	(79,236)
	<u>1,071,305</u>	<u>738,418</u>

18. RECONCILIATION OF NET CASH FLOW
TO MOVEMENTS IN NET (DEBT)

	2015 £	2014 £
Increase/(Decrease) in cash for year	525,916	480,676
Loan repayments	73,822	71,246
	<u>599,738</u>	<u>551,922</u>
Net Debt at 1 April 2014	769,413	217,490
Net Debt at 31 March 2015	<u>1,369,151</u>	<u>769,413</u>

19. ANALYSIS OF CHANGES IN NET DEBT

	As at 1 April 2014 £	Cash Flows £	Other Changes £	As at 31 March 2015 £
Cash at bank and in hand	1,586,272	525,916	-	2,112,188
Debt due within one year	(72,000)	69,322	(73,822)	(76,500)
Debt due after one year	(744,859)	4,500	73,822	(666,537)
	<u>769,413</u>	<u>599,738</u>	<u>-</u>	<u>1,369,151</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2015 (Continued)

20. HOUSING STOCK

	2015	2014
	Number	Number
The number of units held by the Association at the end of the year was as follows :		
General needs		
New Build	127	128
Rehabilitation	463	462
Supported housing	70	70
Shared ownership	31	32
	<u>691</u>	<u>692</u>

21. CONTINGENT LIABILITIES

The Association has contingent liabilities of £1,019,818 (see note 25) at the year end. (2014 - £746,364)

22. CAPITAL COMMITMENTS

	2015	2014
	£	£
Expenditure contracted for less paid and certified	<u>-</u>	<u>-</u>
Expenditure authorised by Committee of Management not contracted	<u>-</u>	<u>-</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 March 2015 (Continued)****23. REVENUE COMMITMENTS**

In November 1995 the Association acquired 103 housing units from Communities Scotland, part of the Scottish Government, through a Large Scale Voluntary Transfer (LSVT).

The Association is committed to spend £4.17m on reactive and planned maintenance, including major repairs, on these properties by March 2026, being the end of 30 years after the transfer date.

In the year to March 2015 a total of £35,012 was spent on reactive and planned maintenance. This makes a total of £1,806,860 since the date of transfer.

The funding for this expenditure will be met from the rental income received from the properties concerned.

The Association has also sold 6 properties to sitting tenants under “right to buy” since the date of the transfer, leaving 98 of these properties still in ownership.

24. RELATED PARTIES

Various members of the Management Committee are tenants of the Association. The transactions with the Association are all done on standard terms, as applicable to all tenants.

25. PENSION OBLIGATIONS

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 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 2008

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2015 (Continued)

25. PENSION OBLIGATIONS (Continued)

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

As at the balance sheet date there were 11 active members of the Scheme employed by Dalmuir Park Housing Association Limited. The annual pensionable payroll in respect of these members was £336,287

Dalmuir Park Housing 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 2014. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £539 million and indicated a decrease in the shortfall of assets compared to liabilities to approximately £281 million, equivalent to a past service funding level of 66%.

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

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

DALMUIR PARK HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2015 (Continued)

25. PENSION OBLIGATIONS (Continued)

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

The Association has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scottish Housing Associations' Pension Scheme based on the financial position of the Scheme as at 30 September 2013. As of this date the estimated employer debt for Dalmuir Park Housing Association was £1,019,818.

The key valuation assumptions used to determine the assets and liabilities of the Scheme are:

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

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

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 increasing 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.