

SPIRE VIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

Register of Friendly Societies No. 2295R(S)

Registered Housing Association No. HAC 136

Registered Charity No. SC033266

FRENCH DUNCAN LLP

Chartered Accountants

133 Finnieston Street

Glasgow

G3 8HB

SPIRE VIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

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MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS

Committee of Management

Charlie Lunn **(Chairperson)**
Tilly McIlroy **(Vice Chairperson)**
Jean Lunn **(Secretary)**
Alan Brown **(Treasurer)**

Frances McEwan
Hannah Simpson
William Tibbs
Frank Reilly
Andrew Samson
Clare O'Donnell
Stirling Wilson
Lynda Mulholland
Brian Mulholland (co-opted 30/10/2014)

Executive Officer

Fiona Murphy **(Director)**

Registered Office

43 Tharsis Street
Roystonhill
GLASGOW
G21 2JF

Auditors

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

Bankers

Santander	Clydesdale Bank plc	Dunfermline Building Society
Bridle Road	66 Queen Street	Caledonia House, Carnegie Avenue
Bootle, Merseyside	Glasgow	Dunfermline

Financial Consultants

A.C. Davidson & Co.
Dunskaithe Place
Glasgow
G34 OAZ

REPORT OF THE MANAGEMENT COMMITTEE**FOR THE YEAR ENDED 31 MARCH 2015**

The Management Committee presents its Report and the Audited Financial Statements for the year ended 31 March 2015.

Legal Status

The Association is a registered Scottish charity, reference number SC033266 and a registered company under the provisions of the Co-operative and Community Benefit Societies Act 2014. The Association is governed by its rules which were last updated in December 1998.

Principal Activities

The principal activities of the Association are to provide good quality, affordable rented accommodation for those in housing need.

Results

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 was £207,242 (2014 – £393,708). Transfers from designated reserves amounted to £1,665,571 (2014 – £nil). Net Assets now total £9,469,314 (2014 - £9,262,056).

Changes in Fixed Assets

Details of Fixed Assets are set out in Notes 10(a) and 10(b)

Management Committee and Executive Officers

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

Statement of Management Committee's Responsibilities

The Management Committee is responsible for preparing the financial statements in accordance with the 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 fulfil the following obligations:

- 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;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue its business; and
- prepare a statement on Internal Financial Control.

REPORT OF THE MANAGEMENT COMMITTEE (Continued)

FOR THE YEAR ENDED 31 MARCH 2015

Statement of Management Committee's Responsibilities (continued)

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 them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010, the Statement of Recommended Practice - Accounting by registered social housing providers issued in 2010, and the Scottish Housing Regulator's Determination of Accounting Requirements April 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.

The Management Committee confirms that the Financial Statements comply with the above requirements.

In so far as the Management Committee is aware:

- there is no relevant audit information of which the Association's auditors are unaware; and
- the Management Committee has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

Related Party Transactions

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

Raising Standards Guidance on Internal Financial Control and Financial Reporting

The Association considers that it has complied with "Raising Standards" guidance on "Internal Financial Control and Financial Reporting" contained within "Raising Standards in Housing", published by the Scottish Federation of Housing Associations and endorsed by the Scottish Housing Regulator.

Auditors

A resolution to re-appoint French Duncan LLP, Chartered Accountants, Glasgow, as auditors will be put to the members at the Annual General Meeting.

By Order of the Management Committee



Jean Lunn
SECRETARY

23/09/2015

REPORT OF THE MANAGEMENT COMMITTEE**FOR THE YEAR ENDED 31 MARCH 2015****Statement On Internal Financial Control**

The governing body acknowledges its ultimate responsibility for ensuring that the RSL 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.

It is the governing body's responsibility to establish and maintain the systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement 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 system and rules in relation 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 governing body to monitor the key business risks, financial objectives and progress being made towards achieving the financial plans set for the year and for the medium term;
- quarterly 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;
- regulatory returns are prepared, authorized and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorization procedures, through the governing body;
- the Audit Committee/Governing Body received reports from management and from 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.

The governing body has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2015. No weaknesses were found in internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

AUDITORS' REPORT ON CORPORATE GOVERNANCE MATTERS

FOR THE YEAR ENDED 31 MARCH 2015

In addition to our audit of the Financial Statements, we have reviewed your statement on page 4 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 4 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
Chartered Accountants
Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB

Date: 30/09/2015

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
SPIRE VIEW HOUSING ASSOCIATION LIMITED**

We have audited the Financial Statements of Spire View Housing Association Limited for the year ended 31 March 2015 on pages 7 to 25. 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 management committee and auditor

As explained more fully in the Committee's Responsibilities Statement set out on page 2, the Committee is 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 properly prepared in accordance with the Co-operative and Community Benefit Act 2014, part 6 of the Housing Scotland Act 2010 and the Scottish Housing Regulators 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

Chartered Accountants

Statutory Auditor

133 Finnieston Street

Glasgow

G3 8HB

Date:

30/09/2015

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

		2015	2014
	Notes	£	£
TURNOVER	2	1,796,343	1,698,839
Operating costs	2	<u>(1,500,034)</u>	<u>(1,213,493)</u>
OPERATING SURPLUS	7	296,309	485,346
(Loss) on disposal of fixed assets		(3,300)	-
Interest receivable and other income		1,516	1,227
Interest payable	8	<u>(87,283)</u>	<u>(92,865)</u>
TOTAL SURPLUS FOR YEAR BEFORE TAXATION		207,242	393,708
Tax on surplus on ordinary activities		<u>-</u>	<u>-</u>
SURPLUS FOR YEAR		<u>207,242</u>	<u>393,708</u>

The results for the year relate wholly to continuing activities.

STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS

FOR THE YEAR ENDED 31 MARCH 2015


	2015	2014
	£	£
Surplus for the financial year	207,242	393,708
Release from revaluation reserve	88,221	88,221
Total recognised surpluses and deficits relating to the year	<u>295,463</u>	<u>481,929</u>

BALANCE SHEET AS AT 31 MARCH 2015

		2015	2014
	Notes	£	£
TANGIBLE FIXED ASSETS			
Housing properties	10 (a)	42,545,209	42,469,035
Less: Social Housing, Other Grants and Depreciation		<u>(31,371,825)</u>	<u>(31,125,997)</u>
Other	10 (a) 10 (b)	11,173,384 <u>375,545</u>	11,343,038 <u>383,910</u>
		<u>11,548,929</u>	<u>11,726,948</u>
CURRENT ASSETS			
Debtors	11	156,815	141,850
Cash at bank and in hand		<u>1,641,857</u>	<u>1,424,411</u>
		1,798,672	1,566,261
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	12	<u>(498,150)</u>	<u>(400,702)</u>
NET CURRENT ASSETS		<u>1,300,522</u>	<u>1,165,559</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		12,849,451	12,892,506
Creditors: Amounts falling due after one year	13	<u>(3,380,137)</u>	<u>(3,630,450)</u>
		<u>9,469,314</u>	<u>9,262,056</u>
CAPITAL AND RESERVES			
Called up share capital	14	451	435
Designated reserves	15	-	1,665,571
Revaluation reserve	16	5,944,045	6,032,266
Revenue reserves	17	<u>3,524,818</u>	<u>1,563,784</u>
		<u>9,469,314</u>	<u>9,262,056</u>

The Financial Statements were approved by the Management Committee on
and signed on its behalf by:-

23/09/2015



Charlie Lunn CHAIRPERSON



Jean Lunn SECRETARY



Alan Brown TREASURER

STATEMENT OF CASH FLOW

FOR THE YEAR TO 31 MARCH 2015

	Notes	2015	2014
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	<u>621,552</u>	<u>509,811</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		1,516	1,227
Interest paid		<u>(87,283)</u>	<u>(92,865)</u>
NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>(85,767)</u>	<u>(91,638)</u>
TAXATION			
Tax paid		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
CAPITAL EXPENDITURE			
Cash paid for development, construction and purchase of housing		(98,819)	(36,311)
Cash paid for purchase of other fixed assets		(2,291)	-
Social Housing Grant received		24,701	20,061
Net proceeds on disposal of housing properties		<u>3,300</u>	<u>-</u>
		<u>(73,109)</u>	<u>(16,250)</u>
NET CASH INFLOW BEFORE FINANCING		<u>462,676</u>	<u>401,924</u>
FINANCING			
Loans repaid		(245,247)	(239,791)
Shares issued		<u>16</u>	<u>21</u>
		<u>(245,231)</u>	<u>(239,770)</u>
INCREASE IN CASH	20	<u><u>217,446</u></u>	<u><u>162,154</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the applicable accounting Standards and Statements of Recommended Practice and comply with the Scottish Housing Regulators Determination of Accounting Requirements April 2012.

The principal accounting policies are set out below.

a) **Basis of accounting**

The financial statements are prepared on the historical cost basis modified to include the revaluation of properties.

b) **Turnover**

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from Scottish Homes, Local Authorities and other agencies.

c) **Social Housing Grant (SHG)**

Where Social Housing Grant (SHG) or other capital grant has been received towards the cost of developments, the cost of these developments has been reduced by the amount of grant receivable. This amount is shown separately on the balance sheet. Where SHG 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.

Although SHG or other revenue 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 the sale.

d) **Tangible Fixed Assets - Housing Properties**

Housing properties are stated at cost less Social Housing Grant and other grants and adjusted for property revaluations at the stated dates.

e) **Depreciation - Housing Properties**

Properties other than heritable land are depreciated in accordance with FRS15 at rates calculated to reduce the net book value of each component of the property to its estimated residual value, on a straight line basis, over the expected remaining life of the component. Heritable land is not depreciated. The estimated useful lives of the assets and components are shown in the table below:

Boilers	15 years	Kitchens	15 years
Bathrooms	20 years	Heating Systems	30 years
Windows	30 years	Roofs	60 years
Structure	60 years		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

1. ACCOUNTING POLICIES (Continued)

f) Depreciation - Other Fixed Assets

Depreciation on office refurbishment, fixtures, fittings, equipment and motor vehicles has been charged at rates estimated to write off the cost less residual value over their estimated useful lives as follows:

Office building	-	2% straight line
Furniture	-	15% straight line
Computer equipment	-	33.33% straight line
CCTV systems	-	10% straight line

g) Capitalisation of Interest

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

h) Development Administration

Development administration costs relating to development activities are capitalised based on the time spent by staff on this activity.

i) Cyclical Repairs

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

j) Designated Reserves

Planned Maintenance

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 on the basis of a costed programme.

k) Pensions

The Association participates in the centralised Scottish Housing Associations' Pension Scheme (SHAPS) which provides benefits based on final pensionable salary. Contributions are charged to the income and expenditure account so as to spread the cost of pensions over the employees' working lives with the Association.

l) Leases

Rentals paid under operating leases are charged to income 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
	Note	Turnover £	Operating Costs £	Operating Surplus/ (Deficit) £	Operating Surplus/ (Deficit) £
Social lettings	3	<u>1,584,300</u>	<u>(1,315,447)</u>	<u>268,853</u>	<u>454,680</u>
Other activities	4	<u>212,043</u>	<u>(184,587)</u>	<u>27,456</u>	<u>30,666</u>
Total		<u>1,796,343</u>	<u>(1,500,034)</u>	<u>296,309</u>	<u>485,346</u>
Total for previous period of account		<u>1,698,839</u>	<u>(1,213,493)</u>	<u>485,346</u>	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS/(DEFICIT) FROM SOCIAL LETTINGS

	General Needs Housing £	Supported Housing Accommodation £	Shared Ownership Housing £	Other £	2015 Total £	2014 Total £
Rent receivable net of service charges	1,585,873	-	-	-	1,585,873	1,527,276
Service charges	-	-	-	-	-	-
Gross income from rents and service charges	1,585,873	-	-	-	1,585,873	1,527,276
Less: Voids	(4,157)	-	-	-	(4,157)	(4,618)
Net income from rents and service charges	1,581,716	-	-	-	1,581,716	1,522,658
Grants from the Scottish Ministers	2,584	-	-	-	2,584	-
Other revenue grants	-	-	-	-	-	-
Total turnover from social letting activities	1,584,300	-	-	-	1,584,300	1,522,658
Management and maintenance administration costs	647,547	-	-	-	647,547	529,331
Service costs	-	-	-	-	-	-
Planned and cyclical maintenance including major repairs costs	296,524	-	-	-	296,524	173,542
Reactive maintenance costs	124,623	-	-	-	124,623	126,013
Bad debts - rents and service charges	6,282	-	-	-	6,282	1,409
Depreciation of social housing	240,471	-	-	-	240,471	237,683
Impairment of social housing	-	-	-	-	-	-
Operating costs for social letting activities	1,315,447	-	-	-	1,315,447	1,067,978
Operating surplus/(deficit) for social lettings	268,853	-	-	-	268,853	454,680
Operating surplus/(deficit) for social letting for previous period of account	454,680	-	-	-	454,680	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

4. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS/(DEFICIT) FROM OTHER ACTIVITIES

	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other income £	Operating costs - bad debts £	Total Turnover £	Operating costs £	Other operating costs £	Operating surplus/ (deficit) £	Operating surplus/(deficit) for previous period of account £
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	151,820	-	-	-	-	151,820	-	154,295	(2,475)	(452)
Care and repair of property	-	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-	-	-
Development and construction of property activities	-	-	-	-	-	-	-	-	-	-
Support activities	-	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-	-
Agency/management services for registered social landlords	-	-	-	60,223	-	60,223	-	30,292	29,931	31,087
Other agency/management services	-	-	-	-	-	-	-	-	-	-
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to non registered social landlords	-	-	-	-	-	-	-	-	-	-
Other activities - Forfeited shares	-	-	-	-	-	-	-	-	-	31
Total from other activities	151,820	-	-	60,223	-	212,043	-	184,587	27,456	30,666
Total from other activities for the previous period of account	123,907	-	-	52,274	-	176,181	-	145,515	30,666	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

5. DIRECTORS' EMOLUMENTS

The Management Committee 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 and any other person who reports directly to the Director or the Management Committee whose total emoluments exceed £60,000 per year is also similarly classed.

	2015	2014
	£	£
Total Emoluments (including pension contributions and benefits in kind)	<u>83,206</u>	<u>78,370</u>
Emoluments of highest paid director (excluding pension contributions)	<u>75,847</u>	<u>71,458</u>
	Number	Number
Greater than £60,000	<u>1</u>	<u>1</u>
Total expenses re-imbursed insofar as not chargeable to income tax	£	£
Management Committee	<u>940</u>	<u>1,316</u>

Re-imburement is only made for expenses directly incurred in connection with performing the Association's business.

6. EMPLOYEES

	Number	Number
The average weekly numbers of persons employed during the year was:	<u>9</u>	<u>9</u>
Staff Costs:	£	£
Wages and Salaries	280,257	263,595
Social Security Costs	25,692	24,235
Pension Contributions	<u>86,215</u>	<u>33,029</u>
	<u>392,164</u>	<u>320,859</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

7. OPERATING SURPLUS

	2015	2014
	£	£
Operating surplus is stated after charging:-		
Depreciation	251,127	247,996
Auditor's remuneration - Audit Services	<u>6,949</u>	<u>6,938</u>

8. INTEREST PAYABLE

On bank loans and overdrafts	<u>87,283</u>	<u>92,865</u>
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9. TAXATION

No taxation is due as the Association has only undertaken charitable activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

10(a) TANGIBLE FIXED ASSETS

	Properties Held for Letting £	Properties Under Construction £	Completed Shared Ownership Properties £	Total £
Cost or Valuation				
At 1 April 2014	42,148,241	-	320,794	42,469,035
Additions	82,244	-	-	82,244
Disposals	(22,645)	-	-	(22,645)
Shared ownership buyback	70,041	-	(53,466)	16,575
Revaluation				
At 31 March 2015	<u>42,277,881</u>	-	<u>267,328</u>	<u>42,545,209</u>
Social Housing Grant				
At 1 April 2014	29,972,597	-	261,131	30,233,728
Additions	24,702	-	-	24,702
Disposals	(18,717)	-	-	(18,717)
Shared ownership buyback	43,522	-	(43,522)	-
At 31 March 2015	<u>30,022,104</u>	-	<u>217,609</u>	<u>30,239,713</u>
Depreciation				
At 1 April 2014	892,269	-	-	892,269
Provided during year	240,471	-	-	240,471
Disposals	(628)	-	-	(628)
On revaluation	-	-	-	-
At 31 March 2015	<u>1,132,112</u>	-	-	<u>1,132,112</u>
Net Book Value at 31 March 2015	<u>11,123,665</u>	-	<u>49,719</u>	<u>11,173,384</u>
Net Book Value at 31 March 2014	<u>11,283,375</u>	-	<u>59,663</u>	<u>11,343,038</u>

On 31 March 2010 the properties held for letting were revalued by Allied Surveyors Scotland PLC on the Existing Use Value – Social Housing basis. An Interim valuation was carried out as at 31 March 2013 by A.C Davidson & Co, Financial Consultants, using the same basis and no change was made to the property values at the year end.

A full revaluation of the properties held for letting will be carried out during the year to 31 March 2016 as part of the transition to the new SORP and FRS 102 accounting standards.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

10(b) TANGIBLE FIXED ASSETS (Continued)

	Office Premises £	Office Furniture £	Office Equipment £	CCTV System £	Total £
Cost					
At 1 April 2014	515,641	42,513	76,653	30,948	665,755
Additions	-	1,151	1,140	-	2,291
Revaluation	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2015	<u>515,641</u>	<u>43,664</u>	<u>77,793</u>	<u>30,948</u>	<u>668,046</u>
Depreciation					
At 1 April 2014	131,734	42,512	76,652	30,947	281,845
Charge for the year	10,313	115	228	-	10,656
Disposals	-	-	-	-	-
At 31 March 2015	<u>142,047</u>	<u>42,627</u>	<u>76,880</u>	<u>30,947</u>	<u>292,501</u>
Net Book Value at 31 March 2015	<u>373,594</u>	<u>1,037</u>	<u>913</u>	<u>1</u>	<u>375,545</u>
Net Book Value at 31 March 2014	<u>383,907</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>383,910</u>

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 rental charges	53,786	45,835
Prepayments and accrued income	28,143	33,185
Other debtors	<u>74,886</u>	<u>62,830</u>
	<u><u>156,815</u></u>	<u><u>141,850</u></u>

12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

Housing loans	245,508	240,443
Trade creditors	69,607	39,066
Corporation tax	-	-
Other taxes and social security	7,368	7,458
Other creditors	118,823	78,190
Accruals and deferred income	<u>56,844</u>	<u>35,545</u>
	<u><u>498,150</u></u>	<u><u>400,702</u></u>

13. CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR

Housing loans:-		
Due between one and two years	247,196	245,711
Due between two and five years	752,125	747,453
Due after five years	<u>2,380,816</u>	<u>2,637,286</u>
	<u><u>3,380,137</u></u>	<u><u>3,630,450</u></u>

The loans are secured by a standard security held over the housing properties of the Association and are repayable at varying rates of interest in instalments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

14. SHARE CAPITAL

	2015 £	2014 £
Shares of £1 each, fully paid and issued		
Allotted, issued and fully paid at 1 April 2014	435	445
Issued during the year	16	21
Forfeited during the year	<u>-</u>	<u>(31)</u>
At 31 March 2015	<u><u>451</u></u>	<u><u>435</u></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.

At 31 March 2015, shares issued were split as follows:

	No	No
Active members	451	435
Ceased members	<u>-</u>	<u>-</u>
	<u><u>451</u></u>	<u><u>435</u></u>

15. DESIGNATED RESERVES

Planned Maintenance	2015 £
Balance at 1 April 2014	1,665,571
Transferred in year	<u>(1,665,571)</u>
Balance at 31 March 2015	<u>-</u>

16. REVALUATION RESERVE

	2015 £
Balance at 1 April 2014	6,032,266
Release to revenue reserve	<u>(88,221)</u>
Balance at 31 March 2015	<u><u>5,944,045</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

17. REVENUE RESERVE

	2015 £
Balance at 1 April 2014	1,563,784
Surplus for the year	207,242
Release from revaluation reserve	88,221
Transfer from designated reserves	<u>1,665,571</u>
At 31 March 2015	<u><u>3,524,818</u></u>

18. RECONCILIATION OF OPERATING SURPLUS
TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	296,309	485,346
Depreciation	251,127	247,996
Loss on sale of assets	(3,300)	-
Forfeited shares	-	(31)
(Increase)/decrease in debtors	(14,967)	(22,777)
Increase/(decrease) in creditors	<u>92,383</u>	<u>(200,724)</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u><u>621,552</u></u>	<u><u>509,810</u></u>

19. RECONCILIATION OF NET CASHFLOW
TO MOVEMENT IN NET DEBT

Increase in cash in year	217,446	162,154
Loan repayments	<u>245,247</u>	<u>239,791</u>
Change in net debt	462,693	401,945
Net debt at 1 April 2014	<u>(2,446,481)</u>	<u>(2,848,426)</u>
Net debt at 31 March 2015	<u><u>(1,983,788)</u></u>	<u><u>(2,446,481)</u></u>

20. ANALYSIS OF CHANGES IN NET DEBT

	As at 1 April 2014 £	Cash Flow £	Other Changes £	As at 31 March 2015 £
Cash at bank and in hand	1,424,411	217,446	-	1,641,857
Debt due within 1 year	(240,443)	240,443	(245,508)	(245,508)
Debt due after 1 year	<u>(3,630,449)</u>	4,804	245,508	<u>(3,380,137)</u>
	<u><u>(2,446,481)</u></u>	<u><u>462,693</u></u>	-	<u><u>(1,983,788)</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

21. HOUSING STOCK

2015
No2014
NoThe number of units of accommodation
in management at the year end was:General needs
Shared ownership557
1552
5558557

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

22. PENSION OBLIGATIONS

Spire View Housing Association Limited (the "Association") participates in the Scottish Housing Associations' Pension Scheme (the "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 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%.

The Scheme offers five 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. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

The Association has elected to operate the final salary with a 1/60th accrual rate benefit structure for active members and new members.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

22. PENSION OBLIGATIONS (Continued)

During the year, the Association paid contributions at the rate of 12.3%. Member contributions were 12.3%.

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.

Spire View Housing Association Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the SFHA Pension Scheme based on the financial position of the Scheme as at 30 September 2014. As of this date the estimated employer debt for Spire View Housing Association Limited was £2,380,163.

As at the balance sheet date there were 4 active members of the Scheme employed by Spire View Housing Association Limited.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 (Continued)

22. PENSION OBLIGATIONS (Continued)

The key valuation assumptions used to determine the assets and liabilities of the SFHA Pension 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 2011)		%
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

As Spire View Housing Association Limited continues to offer membership of the scheme to employees it therefore regards crystallisation of the buy-out as remote. No provision for the buy-out debt is therefore required.

The pension cost charge of £86,215 (2014: £33,029) represents amounts paid by the Association to this scheme during the year.

The Association's Director is an ordinary member of the pension scheme and no enhanced or special terms apply. The Director does not have an individual pension arrangement. The Association paid £7,358 (2014: £6,912) of contributions towards the Director's pension in the year.

RELATED PARTY TRANSACTIONS

23. The members of the management committee who are tenants have their tenancies on the Association's normal tenancy terms and they cannot use their positions to their advantage.

