

**SPIRE VIEW HOUSING ASSOCIATION LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

Registered Housing Association Number: HAC 136  
FCA Reference Number: 2295R (S)  
Scottish Charity Registration Number: SC033266

# SPIRE VIEW HOUSING ASSOCIATION LIMITED

## CONTENTS

	Page.
MEMBERS OF THE MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS	3
REPORT FROM THE MANAGEMENT COMMITTEE	4
REPORT BY THE AUDITORS ON CORPORATE GOVERNANCE MATTERS	8
REPORT OF THE AUDITORS	9
INCOME AND EXPENDITURE ACCOUNT	11
BALANCE SHEET	12
STATEMENT OF CASH FLOWS	13
STATEMENT OF CHANGES IN EQUITY	14
NOTES TO THE FINANCIAL STATEMENTS	15

## SPIRE VIEW HOUSING ASSOCIATION LIMITED

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### THE MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2016

#### MEMBERS OF THE MANAGEMENT COMMITTEE

Tilly McIlroy	(Chairperson)	
Charlie Lunn	(Vice Chairperson)	
Jean Lunn	(Secretary)	
Alan Brown	(Treasurer)	
Frances McEwan	(Committee Member)	
Hannah Simpson	(Committee Member)	
William Tibbs	(Committee Member)	
Frank Reilly	(Committee Member)	(Resigned 29/05/2015)
Andrew Samson	(Committee Member)	
Clare O'Donnell	(Committee Member)	
Stirling Wilson	(Committee Member)	
Lynda Mulholland	(Committee Member)	
Brian Mulholland	(Committee Member)	
Adil Aziz	(Committee Member)	(Appointed 26/06/2015)
Philip McCartney	(Committee Member)	(Appointed 26/06/2015)
Donna Tibbs	(Committee Member)	(Appointed 27/11/2015)

#### EXECUTIVE OFFICERS

Fiona Murphy (Director)

#### REGISTERED OFFICE

43 Tharsis Street  
Roystonhill  
Glasgow  
G21 2JF

#### AUDITORS

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

#### BANKERS

Santander  
Bridle Road  
Bootle, Merseyside  
L30 4GB

Clydesdale Bank plc  
66 Queen Street  
Glasgow  
G31 3DS

Nationwide Building Society  
Caledonia House, Carnegie Avenue  
Dunfermline  
KY11 8PJ

#### SOLICITORS

TC Young  
7 West George Street  
Glasgow  
G2 1BA

## **SPIRE VIEW HOUSING ASSOCIATION LIMITED**

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### **REPORT FROM THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2016**

The Management Committee presents their report and the Financial Statements for the year ended 31st March 2016

#### **Legal Status**

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No. 2295R (S). The Association is governed under its Rule Book. The Association is a Registered Scottish Charity with the charity number SC033266.

#### **Principal Activities**

The principal activity of the Association is the provision of social housing.

#### **Review of business and future developments**

##### **Current Year**

The Committee is satisfied with the Association's performance during the year. The surplus before taxation was £449,865 (2015 - £227,095). The Association's net current assets at 31 March 2016 were £1,636,237 (2015- £1,240,363). All figures have been stated (2015- restated) under the new FRS102 accounting format.

##### **The Future**

The Association plan to continue to provide good quality, affordable accommodation and take advantage of opportunities as they present themselves.

#### **Management Committee and Executive Officers**

The members of the Management Committee and the Executive Officers are listed on Page 3.

**REPORT FROM THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

**Statement of Management Committee's responsibilities**

The Co-operative and Community Benefit Act 2014 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 then apply them consistently;
- Make judgments 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 in business;
- Prepare a statement on Internal Financial Control.

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, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements - 2014. 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. It is also responsible for ensuring the Association's suppliers are paid promptly.

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

In so far as the Management Committee are aware:

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

**REPORT FROM THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

**Statement on Internal Financial Control**

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

- The reliability of financial information used within the Association, or for publication;
- The maintenance of proper accounting records; 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 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 systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- Experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- Forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the 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, authorised and submitted promptly to the relevant regulatory bodies;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- The Management Committee receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken; and
- Formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2016. No weaknesses were found in the 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.

**SPIRE VIEW HOUSING ASSOCIATION LIMITED**

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**REPORT FROM THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

**Auditors**

A resolution to re-appoint the auditors, French Duncan LLP, Chartered Accountants, will be proposed at the Annual General Meeting

**By order of Management Committee**



Jean Lunn, Secretary

21 September 2016

**REPORT BY THE AUDITORS TO THE MANAGEMENT COMMITTEE OF SPIRE VIEW HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS**

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 in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

**Basis of Opinion**

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

**Opinion**

In our opinion the Statement on Internal Financial Control on page 6 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes 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 within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



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

27 September 2016



## **SPIRE VIEW HOUSING ASSOCIATION LIMITED**

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### **INDEPENDENT AUDITOR'S 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 2016 which comprise an income and expenditure account, balance sheet, statement of cash flows, statement of changes in equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Association's members, as a body, in accordance with 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF MANAGEMENT COMMITTEE AND AUDITORS**

As explained more fully in the Statement of the Management Committee's Responsibilities the Association's Management Committee, are responsible for the preparation of the Financial Statements that give a true and fair view.

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

#### **SCOPE OF THE AUDIT ON THE FINANCIAL STATEMENTS**

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

#### **OPINION ON THE FINANCIAL STATEMENTS**

In our opinion the Financial Statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2016 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice: and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2014.

## SPIRE VIEW HOUSING ASSOCIATION LIMITED

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### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the information given in the Management Committee's Report is inconsistent with the financial statements.
- proper books of account have not been kept by the Association in accordance with the requirements of the legislation.
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation.
- the Income and Expenditure Account to which our report relates, and the Balance Sheet are not in agreement with the books of the Association.
- we have not received all the information and explanations necessary for the purposes of our audit.

We have nothing to report in respect of these matters



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

27 September 2016

**SPIRE VIEW HOUSING ASSOCIATION LIMITED**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	Restated 2015 £
<b>REVENUE</b>	2.	1,993,975	1,796,345
Operating Costs	2.	(1,445,877)	(1,453,183)
<b>OPERATING SURPLUS</b>		548,098	343,162
Gain on Sale of Housing Stock	7.	-	(3,300)
Interest Receivable and Other Income		1,690	1,516
Interest Payable and Similar Charges	8.	(81,922)	(87,283)
Other Finance Charges	11	(18,000)	(27,000)
		(98,233)	(116,067)
<b>SURPLUS FOR THE YEAR</b>	9.	449,865	227,095
<b>Other Comprehensive Income</b>		-	-
<b>TOTAL INCOME FOR THE YEAR</b>		449,865	227,095

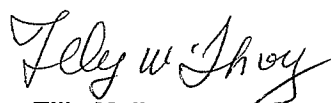
The notes on pages 15 to 30 form part of these financial statements.

**SPIRE VIEW HOUSING ASSOCIATION LIMITED**

**BALANCE SHEET  
AS AT 31 MARCH 2016**

	Notes	£	2016 £	£	Restated 2015 £
<b>FIXED ASSETS</b>					
Housing Properties - Depreciated Cost	12.(a)		9,535,942		9,733,558
Other Fixed Assets	12.(b)		377,715		375,545
			<u>9,913,657</u>		<u>10,109,103</u>
<b>CURRENT ASSETS</b>					
Debtors	14.	321,070		156,813	
Cash at bank and in hand		1,911,553		1,641,857	
		<u>2,232,623</u>		<u>1,798,671</u>	
<b>CREDITORS:</b> Amounts falling due within one year	15.	(596,386)		(558,308)	
<b>NET CURRENT ASSETS</b>			<u>1,636,237</u>		<u>1,240,363</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>11,549,894</u>		<u>11,349,466</u>
<b>CREDITORS:</b> Amounts falling due after more than one year					
Housing Property Loans	16.		(3,184,482)		(3,380,137)
Retirement Benefit Scheme Deficit	16.		(743,100)		(796,841)
<b>NET ASSETS</b>			<u>7,622,312</u>		<u>7,172,488</u>
<b>EQUITY</b>					
Share Capital	18.		410		451
Revenue Reserves			7,621,902		7,172,037
			<u>7,622,312</u>		<u>7,172,488</u>

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 21/09/16 September 2016.



Tilly McIlroy  
Chairperson



Jean Lunn  
Secretary



Alan Brown  
Treasurer

The notes on pages 15 to 30 form part of these financial statements.

**SPIRE VIEW HOUSING ASSOCIATION LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016		Restated 2015	
		£	£	£	£
<b>Net Cash Inflow from Operating Activities</b>	17.		618,946		621,552
<b>Investing Activities</b>					
Acquisition and Construction of Properties		-	(98,819)		
Purchase of Other Fixed Assets		(18,415)	(2,291)		
Social Housing Grant Received		-	24,701		
Proceeds on Disposal of Properties		-	3,300		
<b>Net Cash Outflow from Investing Activities</b>			(18,415)		(73,109)
<b>Financing Activities</b>					
Interest Received on Cash and Cash Equivalents		1,690	1,516		
Interest Paid on Loans		(81,922)	(87,283)		
Loan Principal Repayments		(54,956)	5,066		
Movement in long term borrowings		(195,655)	(250,313)		
Share Capital Issued		9	16		
<b>Net Cash (Outflow) from Financing</b>			(330,835)		(330,998)
<b>Increase in Cash</b>			269,696		217,446
<b>Opening Cash &amp; Cash Equivalents</b>			1,641,857		1,424,411
<b>Closing Cash &amp; Cash Equivalents</b>			1,911,553		1,641,857

**SPIRE VIEW HOUSING ASSOCIATION LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016**

	Share Capital £	Revenue Reserve £	Total £
<b>Balance as at 1 April 2015 as restated</b>	451	7,172,037	7,172,488
Issue of Shares	9	-	9
Cancellation of Shares	(50)	-	(50)
Surplus for Year	-	449,865	449,865
<b>Balance as at 31 March 2016</b>	<u>410</u>	<u>7,621,902</u>	<u>7,622,312</u>

	Share Capital £	Revenue Reserve £	Total £
<b>Balance as at 1 April 2014 as restated</b>	435	6,944,941	6,945,376
Issue of Shares	16	-	16
Cancellation of Shares	-	-	-
Surplus for Year	-	227,095	227,095
<b>Balance as at 31 March 2015 as restated</b>	<u>451</u>	<u>7,172,037</u>	<u>7,172,488</u>

# SPIRE VIEW HOUSING ASSOCIATION LIMITED

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## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS

#### 1 PRINCIPAL ACCOUNTING POLICIES

##### **Statement of Compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for Social Housing Providers 2014. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

Information on the impact of first-time adoption of FRS 102 is given in note 24.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see below).

The following principal accounting policies have been applied:

##### **Revenue**

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised as expenditure is incurred as this is considered to be the point when the service has been performed and the revenue recognition criteria is met.

Government Grants are released to income over the expected useful life of the asset to which it relates.

##### **Retirement Benefits**

The Association participates in the Scottish Housing Association Defined Benefits Pension Scheme and retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

The Association accounts for amounts that it has agreed to pay towards the Scheme deficit in accordance with paragraph 28.11A of FRS 102. The present value of this liability has been recognised in the Balance Sheet. The discount rate applied to this obligation is that of a yield rate for the high quality corporate bond.

##### **Valuation of Housing Properties**

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 12. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

<i>Component</i>	<i>Useful Economic Life</i>
Land	Not depreciated
Structure	60 years
Boilers	15 years
Bathrooms	20 years
Windows	30 years
Kitchens	15 years
Heating Systems	30 years
Roofs	60 years

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

**Depreciation and Impairment Of Other Non-Current Assets**

Non-Current Assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:-

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

The carrying value of non-current assets is reviewed for impairment at the end of each reporting year.

**Social Housing Grant and Other Grants in Advance/Arrears**

Social Housing Grants and Other Capital Grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which it relates.

Social Housing Grant attributed to individual components is written off to the Income and Expenditure Account when these components are replaced.

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

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

**Sales of Housing Properties**

First tranche Shared Ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the Statement of Recommended Practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the Income and Expenditure Account.

Disposals of housing property under the Right to Buy scheme are treated as a non-current asset disposals and any gain and loss on disposal accounted for in the Income and Expenditure Account.

Disposals under shared equity schemes are accounted for in the Income and Expenditure Account. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

**Estimation Uncertainty**

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Committee to exercise judgement in applying the Association's Accounting Policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, is disclosed below:

*Rent Arrears - Bad Debt Provision*

The Association assesses the recoverability of rent arrears through a detailed assessment process which considers: tenant payment history, arrangements in place, and court action.

*Life Cycle of Components*

The Association estimates the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.



# SPIRE VIEW HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

##### Leases/Leased Assets

Costs in respect of operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their useful lives.

##### Works to Existing Properties

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

##### Development Interest

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

##### Key Judgements made in the application of Accounting Policies

###### a) Exemptions taken in the transition to FRS 102

The Association has considered and taken advantage of the following exemptions in its first time application of FRS 102:

i) The Association has not revisited previous accounting estimates

###### b) The Categorisation of Housing Properties

In the judgement of the Management Committee the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.

###### c) Identification of cash generating units

The Association considers its cash-generating units to be the scheme in which it manages its housing property for asset management purposes.

##### Financial Instruments – Basic

The Association recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard

The Association's debt instruments are measured at amortised cost using the effective interest rate method

#### 2. PARTICULARS OF REVENUE, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	Notes	2016			Restated 2015		
		Revenue	Operating Costs	Operating Surplus / (Deficit)	Revenue	Operating Costs	Operating Surplus / (Deficit)
		£	£	£	£	£	£
Social Lettings	3.	1,663,127	(1,127,078)	536,048	1,584,302	(1,268,596)	315,706
Other Activities	4.	330,849	(318,799)	12,050	212,043	(184,587)	27,456
<b>Total</b>		<b>1,993,975</b>	<b>(1,445,877)</b>	<b>548,098</b>	<b>1,796,345</b>	<b>(1,453,183)</b>	<b>343,162</b>

# SPIRE VIEW HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS

#### 3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing £	Supported Housing £	Shared ownership £	2016 Total £	Restated 2015 Total £
<b>Revenue from Lettings</b>					
Rent Receivable Net of Identifiable Service Charges	1,657,309	-	-	1,657,309	1,585,875
<b>Gross Rents Receivable</b>	1,657,309	-	-	1,657,309	1,585,875
Less: Rent losses from voids	(2,673)	-	-	(2,673)	(4,157)
<b>Net Rents Receivable</b>	1,654,636	-	-	1,654,636	1,581,718
Revenue Grants From Scottish Ministers	8,491	-	-	8,491	2,584
<b>Total Income From Social Letting</b>	1,663,127	-	-	1,663,127	1,584,302
<b>Expenditure on Social Letting Activities</b>					
Management and maintenance administration costs	547,984	-	-	547,984	643,551
Reactive Maintenance	141,046	-	-	141,046	124,623
Bad Debts - Rents and Service Charges	975	-	-	975	6,282
Planned and Cyclical Maintenance, including Major Repairs	239,458	-	-	239,458	296,524
Depreciation of Social Housing	197,616	-	-	197,616	197,616
<b>Operating Costs of Social Letting</b>	1,127,078	-	-	1,127,078	1,268,596
<b>Operating Surplus on Social Letting Activities</b>	536,048	-	-	536,048	315,706
<b>2015</b>	315,706	-	-	315,706	

SPIRE VIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

4. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES

	Grants From Scottish Ministers	£	Other Revenue Grants		Supporting People Income	£	Other Income	£	Total Turnover	£	Operating Costs		Operating Costs Bad Debts	£	Operating Costs		Operating Surplus / (Deficit) 2016	£	Operating Surplus / (Deficit) 2015		£
			£	£							£	£			£	£			£	£	
Wider Role Activities	201,838	-	-	-	-	-	-	201,838	-	-	(201,838)	-	-	(2,475)	-	-	-	-	(2,475)	-	
Development Activities	-	-	-	-	-	57,733	57,733	57,733	-	-	(57,733)	-	-	-	-	-	-	-	29,931	-	
Other Activities	71,279	-	-	-	-	-	-	71,279	-	-	(59,228)	-	-	12,050	-	-	12,050	-	-	-	
<b>Total From Other Activities</b>	<b>273,116</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,733</b>	<b>330,849</b>	<b>330,849</b>	<b>-</b>	<b>-</b>	<b>(318,799)</b>	<b>-</b>	<b>-</b>	<b>12,050</b>	<b>-</b>	<b>-</b>	<b>12,050</b>	<b>-</b>	<b>27,456</b>	<b>-</b>	
<b>2015</b>	<b>151,820</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,223</b>	<b>212,043</b>	<b>212,043</b>	<b>-</b>	<b>-</b>	<b>(184,587)</b>	<b>-</b>	<b>-</b>	<b>27,456</b>	<b>-</b>	<b>-</b>	<b>27,456</b>	<b>-</b>	<b>-</b>	<b>-</b>	

# SPIRE VIEW HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS

#### 5. BOARD MEMBERS AND OFFICERS EMOLUMENTS

The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association.

2016	2015
£	£

No emoluments have been paid to any member of the Management Committee

Aggregate emoluments payable to Officers with Emoluments greater than £60,000 (excluding pension contributions)	<u>75,088</u>	<u>75,847</u>
-----------------------------------------------------------------------------------------------------------------	---------------	---------------

Emoluments payable to the Director/Chief Executive (excluding pension contributions)	<u>75,088</u>	<u>75,847</u>
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Pension contributions paid on behalf of the Director	<u>8,447</u>	<u>7,358</u>
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Total number of Officers, including the highest paid Officer, who received emoluments (excluding pension contributions) over £60,000 was in the following ranges:-

£60,001 - £70,000	-	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-

There was £848 paid to board members during the year for reimbursement of expenses (2015-£940)

#### 6. EMPLOYEE INFORMATION

	2016	2015
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	<u>9</u>	<u>9</u>
The average total number of Employees employed during the year was	<u>9</u>	<u>9</u>
Staff Costs were:	£	£
Wages and Salaries	289,155	280,258
Social Security Costs	26,322	25,692
Pension Costs	21,615	22,215
Other Pension Costs – impact of change in assumptions	(4,000)	60,000
	<u>333,092</u>	<u>388,164</u>

# SPIRE VIEW HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS

#### 7. GAIN ON SALE OF HOUSING STOCK

	2016	2015
	£	£
Sales Proceeds	-	25,317
Cost of Sales	-	28,617
Gain/(Loss) on Sale of Housing Stock	-	(3,300)

#### 8. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
On Housing Loans	81,922	87,283
	81,922	87,283
Less: Interest Capitalised	-	-
	81,922	87,283

#### 9. SURPLUS FOR THE YEAR

	2016	2015
	£	£
Surplus is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	213,861	208,272
Auditors' Remuneration - Audit Services	7,000	6,949
- Other Services	700	-
Loss on sale of fixed assets	-	3,300

#### 10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities.

#### 11. OTHER FINANCE INCOME/CHARGES

	2016	2015
	£	£
Unwinding of discount on pension liability	18,000	27,000

**SPIRE VIEW HOUSING ASSOCIATION LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS**

**12. FIXED ASSETS**

a) Housing Properties	Housing Properties Held for Letting £	Housing Properties Under Construction £	Shared Ownership Properties £	Total £
<b>COST</b>				
As at 1 April 2015 (restated)	9,663,846	-	267,328	9,931,174
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2016	<u>9,663,846</u>	<u>-</u>	<u>267,328</u>	<u>9,931,174</u>
<b>DEPRECIATION</b>				
As at 1 April 2015 (restated)	197,616	-	-	197,616
Charge for Year	197,616	-	-	197,616
Disposals	-	-	-	-
As at 31 March 2016	<u>395,232</u>	<u>-</u>	<u>-</u>	<u>395,232</u>
<b>NET BOOK VALUE</b>				
As at 31 March 2016	<u>9,268,614</u>	<u>-</u>	<u>267,328</u>	<u>9,535,942</u>
As at 31 March 2015	<u>9,466,230</u>	<u>-</u>	<u>267,328</u>	<u>9,733,558</u>

Additions to housing properties includes capitalised development administration costs of £Nil (2015 - £Nil) and capitalised major repair costs to existing properties of £Nil (2015 - £82,244).

All land and housing properties are heritable.

**SPIRE VIEW HOUSING ASSOCIATION LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS**

**12. FIXED ASSETS** (Continued.)

b) Other Tangible Assets	Office Premises £	Office Furniture £	Office Equipment	CCTV System £	Total £
<b>COST</b>					
As at 1 April 2015	515,641	43,664	77,793	30,948	668,046
Additions	-	-	18,415	-	18,415
Disposals	-	-	-	-	-
As at 31 March 2016	515,641	43,664	96,209	30,948	686,462
<b>DEPRECIATION</b>					
As at 1 April 2015	142,047	42,627	76,880	30,947	292,501
Charge for Year	10,313	115	5,817	-	16,245
Disposals	-	-	-	-	-
As at 31 March 2016	152,359	42,742	82,697	30,947	308,746
<b>NET BOOK VALUE</b>					
As at 31 March 2016	363,281	922	13,511	1	377,715
As at 31 March 2015	373,594	1,037	913	1	375,545

# SPIRE VIEW HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS

#### 13. COMMITMENTS UNDER OPERATING LEASES

At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-	2016	2015
	£	£
Not later than one year	4,412	2,670
Later than one year and not later than five years	8,084	5,484
Later than five years	-	-

#### 14. DEBTORS

	2016	2015
	£	£
Arrears of Rent & Service Charges	70,332	59,322
Less: Provision for Doubtful Debts	(5,536)	(5,536)
	64,796	53,786
Other Receivables	256,274	103,027
	321,070	156,813

#### 15. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	As restated 2015
	£	£
Housing Loans	190,552	245,508
Trade Payables	131,113	69,607
Rent in Advance	44,510	42,557
Other Taxation and Social Security	7,828	7,368
Other Payables	148,485	122,725
Accruals and Deferred Income	11,997	10,384
Liability for Past Service Contribution arrangements	61,900	60,159
	596,386	558,308



# SPIRE VIEW HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS

#### 16. CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	As restated	
	2016	2015
	£	£
Liability for Past Service Contribution Arrangements	743,100	796,841
Housing Loans	<u>3,184,482</u>	<u>3,380,137</u>
	<u>3,927,582</u>	<u>4,176,978</u>

All of the Association's bank borrowings are repayable on a monthly basis with the principal being amortised over the term of the loans.

Loans are secured by a standard security held over the Association's properties. Loans are repayable at current rates of interest ranging from 2.18% to 2.37% (2015 – 2.18% to 2.37%) in instalments as follows:

	2016	2015
	£	£
Between one and two years	194,970	247,196
Between two and five years	612,458	752,125
In five years or more	<u>2,377,054</u>	<u>2,380,816</u>
	<u>3,184,482</u>	<u>3,380,137</u>

#### 17. STATEMENT OF CASH FLOWS

<i>Reconciliation of operating surplus to net cash inflow from operating activities</i>	2016	As restated 2015
	£	£
Operating Surplus	548,098	343,162
Depreciation	213,861	208,272
Amortisation of Capital Grants	-	-
Change in debtors	(164,257)	(14,965)
Change in creditors	91,293	92,383
Gain on sale of fixed assets	-	(3,300)
Deficit contributions	(66,000)	(64,000)
Actuarial gains on Pension Liability	(4,000)	60,000
Share Capital Written Off	(50)	-
	<u>618,946</u>	<u>621,552</u>
Net cash inflow from operating activities		

# SPIRE VIEW HOUSING ASSOCIATION LIMITED

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## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS

#### 18. SHARE CAPITAL

<b>Shares of £1 each Issued and Fully Paid</b>	<b>£</b>
At 1 April 2015	451
Issued in year	9
Cancelled in year	(50)
	<hr/>
At 31 March 2016	410
	<hr/>

The Association's shares carry no rights to a dividend or other distributions and are not repayable.

#### 19. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
General Needs	554	554
Shared Ownership	3	3
	<hr/>	<hr/>
	557	557
	<hr/>	<hr/>

## 20. RELATED PARTY TRANSACTIONS

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 102

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

- 13 Members are tenants of the Association
- No members are factored owners
- Management Committee members cannot use their position to their advantage. Any transactions between the Association and any entity with which a Management Committee member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Management Committee members were as follows:

Rent Received from Tenants on the Committee	£ 34,692
---------------------------------------------	-------------

At the year end total rent arrears owed by the tenant members of the Committee were £184.

## 21. DETAILS OF ASSOCIATION

The Association is a Registered Society registered within the Financial Conduct Authority and is domiciled in Scotland.

The Association's principal place of business is 43 Tharsis Street, Roystonhill, Glasgow, G21 2JF.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing in Glasgow.

## 22. RETIREMENT BENEFIT OBLIGATIONS

### General

Spire View Housing Association Limited participates in the Scottish Housing Association Pension Scheme (the Scheme).

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

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers as the scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the year under FRS102 represents the employer contribution payable.

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 £394m. The valuation revealed a shortfall of assets compared with the value of liabilities of £304m, (equivalent to a past service funding level of 62.2%)

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS**

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal, then the liability of the withdrawing employer is re-apportioned amongst the remaining employer. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

All employers in the scheme have entered into an agreement to make additional contributions to fund the Scheme's past service deficit. This obligation has been recognised in terms of Para 28.11A of Financial Reporting Standard 102. At the balance sheet date the present value of this obligation was £805,000 (2015 - £857,000) This was calculated by reference to the terms of the agreement and discounting the liability using the yield rate of high quality corporate bond with a similar term. The discount rate used was 2.29%

The Association made payments totalling £87,615 (2015: £86,215) to the pension scheme during the year.

**23. TRANSITION TO THE FINANCIAL REPORTING STANDARD**

In accordance with the Statement of Recommended Practice the Association has adopted the Financial Reporting Standard for UK & Ireland (FRS 102) for the accounting year beginning on 1 April 2015. As a result of this the comparative figures for the year ending 31 March 2015 have been restated in accordance with FRS 102.

The transition to FRS 102 has resulted in a number of changes in accounting policies compared with those used previously.

**24. PRIOR YEAR ADJUSTMENTS**

The following describes the differences between the assets and liabilities and income and expenditure as presented previously, and the amounts as restated to comply with the accounting policies selected in accordance with FRS 102 for the reporting year ending 31 March 2015.

- (i) Previously, capital grants received were netted off against the cost of housing properties. A revaluation was carried out at 1 April 2014 and the EUV-SH has been adopted as the "Deemed Cost". Accordingly the Social Housing Grant has been written off and the corresponding Historical Cost has, similarly, been written down.
- (ii) As the Association has entered into an agreement to make contributions to fund a deficit in the SHAPS pension scheme this has been recognised as a liability in accordance with the FRS. The liability was not previously recognised and payments made under this agreement were written off as operating costs.
- (iii) The liability recognised as a result of (ii) above has been discounted to its present value. The unwinding of the discount is recognised as a finance cost in accordance with FRS102 para 28. 13A
- (iv) In order to fully comply with requirements of the Housing SORP 2014, a review was undertaken to identify any potential holiday pay entitlement liability at the year-end. An adjustment is included in operating costs and accruals.

**SPIRE VIEW HOUSING ASSOCIATION LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS**

**24. PRIOR YEAR ADJUSTMENTS (continued)**

		Reconciliation of Capital & Reserves			
		At 1 April 2014 FRS 102 (As Restated)		At 31 March 2015 FRS 102 (As Restated)	
Note	As previously stated	Effect of Transition	As previously stated	Effect of Transition	
	£	£	£	£	£
Non-Current Assets	11,726,948	1,488,038	10,238,910	(1,439,826)	10,109,103
Current Assets	1,566,261	-	1,566,261	-	1,798,672
Creditors: amounts falling due within one year	(400,702)	(64,000)	(464,702)	(60,159)	(558,309)
<b>Total assets less current liabilities</b>	<b>12,892,507</b>	<b>(1,552,038)</b>	<b>11,340,469</b>	<b>(1,499,985)</b>	<b>11,349,466</b>
Creditors: amounts falling due after more than one year	(3,630,450)	(764,643)	(4,395,093)	(796,841)	(4,176,978)
Deferred income	-	-	-	-	-
<b>Net Assets</b>	<b>9,262,056</b>	<b>(2,316,680)</b>	<b>6,945,376</b>	<b>(2,296,826)</b>	<b>7,172,488</b>
<b>Capital &amp; Reserves</b>	<b>9,262,056</b>	<b>(2,316,680)</b>	<b>6,945,376</b>	<b>(2,296,826)</b>	<b>7,172,488</b>

**SPIRE VIEW HOUSING ASSOCIATION LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016  
NOTES TO THE FINANCIAL STATEMENTS**

**24. PRIOR YEAR ADJUSTMENTS (continued)**

Note	As previously Stated	Reconciliation of Retained Surpluses for the Year Year Ended 31 March 2015		FRS 102 (As Restated)
	£	£	Effect of Transition	£
Revenue (i)	1,796,345	-	-	1,796,345
Operating Costs (i)& (ii)	<u>(1,500,034)</u>	46,851	46,851	<u>(1,453,183)</u>
Interest receivable	296,311	46,851	46,851	343,162
Interest payable and similar income	1,516	-	-	1,516
Change in Fair Value of financial instruments	(87,283)	-	-	(87,283)
Gain on Sale	<u>(3,300)</u>	(27,000)	(27,000)	<u>(27,000)</u>
Surplus	<u>207,244</u>	19,851	19,851	<u>227,095</u>