

Lochfield Park Housing Association

Report and Financial Statements

For the year ended 31st March 2016

Registered Housing Association No.HAC268

FCA Reference No. 2444R (S)

Scottish Charity No. SC037694

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

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LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS YEAR ENDED 31st MARCH 2016

MANAGEMENT COMMITTEE

Hannah McDonald

Ann Whitley

Margaret Cox

Catherine White

Steven Gallacher

Janet McAloon

Jane Boyce

Marie Quinn

Kate Serries

Jade Ross

Theresa McKerracher

Michelle Laverty

June Robertson

Joan Buchanan

John Crawford

Chairperson

Vice-Chairperson

Secretary

Treasurer

(Resigned September 2015)

EXECUTIVE OFFICERS

Kenneth Halliday

Director

REGISTERED OFFICE

37 Drumlanrig Avenue

Easterhouse

Glasgow

G34 0JF

AUDITORS

Alexander Sloan

Chartered Accountants

38 Cadogan Street

Glasgow

G2 7HF

INTERNAL AUDITORS

The Internal Audit Association

Abbey Business Centre

83 Princess Street

83 Princess Street

Edinburgh

BANKERS

Clydesdale Bank plc

47 Main Street

Baillieston

Glasgow

G69 6AD

SOLICITORS

TC Young

7 West George Street

Glasgow

G2 1BA

FINANCE AGENTS

FMD Financial Services Limited

14 Ladyloan Place

Glasgow

G15 8LB

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2016

The Management Committee presents its 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.2444R (S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC037694.

Principal Activities

The Association is a Registered Scottish Charity and we provide relief of those in need by reason of age, ill health (whether related to mental or physical health), disability (whether due to mental or physical health issues or learning disabilities), financial hardship or other disadvantage, both to individual persons or to a group of persons with similar needs and issues by;

1. providing, constructing, improving and managing land, accommodation and associated facilities and providing care;
2. providing or arranging home maintenance, repair and improvement services and providing facilities and services for the benefit of such people either exclusively for them or together with other persons;
3. undertaking any activities which are charitable, allowed under section 58 of the Housing (Scotland) Act 2001, including any statutory amendment or re enactment of the provisions of this section from time to time being in force and;
4. carrying on any other charitable activities permitted to registered social landlords from time to time.

Review of Business and Future Developments

The last year has seen the Association consolidate and strengthen its financial position through good governance, sound financial management and increasing stock numbers. The Management Committee and staff team have also ensured that targets and objectives agreed at the Strategy Day held in May 2015 have been achieved.

Highlights this year include:-

- Completion of 3 Paint Programs.
- Completion of Bathroom Upgrades - Phase 2
- Gutter cleaning to all properties.
- Well attended Annual General Meeting held in September 2015 and 14 committee members
- Increased stock numbers through acquisition and improvement of properties in Brucefield Park Area.
- Short, medium and long term projections updated
- Welfare Rights / Financial Advice Service continued to grow.
- Performance Targets achieved in all key service areas.
- Acquired 5 additional properties in Brucefield Park, making 30 in total.
- Commissioned and completed Abbeycraig Road (Phase 10) Feasibility Study

The Association sought to further improve the long term prospects of the organisation through updating Financial and Planning Systems along with an EESH assessment which showed all of the association's properties meet the standard.

Despite the negativity surrounding austerity measures and the current financial climate Lochfield Park continues to seek funding to continue the regeneration of the Lochend Area.

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2016

Review of Business and Future Developments (contd.)

We completed the Phase 10 Abbeycraig Road Feasibility Study which investigated the possible development of the Abbeycraig Road / Lochdochart Road Area which lies adjacent to the East Suburb section of the 7 Lochs Development Project.

This is an exciting opportunity for the Association to be involved in and offers great potential for significant community development in this part of Easterhouse. Although future development opportunities remain uncertain everyone connected with the Association is committed to ensuring that we are in a position to take advantage of any opportunities that may arise over the next few years, and are hopeful of the Feasibility Study becoming a development programme in due course.

Lochfield Park has continued to increase stock numbers through the acquisition and refurbishment of empty homes in the Brucefield Park Area. As at the 31st March 2016 Lochfield Park had acquired 30 empty properties.

The Association provides a Welfare Rights/ Financial Advice Service to tenants and local residents which continues to be in high demand and invaluable to local residents particularly in the current climate of austerity and welfare reform. Lochfield Park is the only Registered Social Landlord in Greater Easterhouse to provide this type of service from its own resources.

The Management Committee remains committed to investing in its staff team to ensure we have the right people with the necessary skills to provide the level of service our tenants expect. We are also aware of the need for continual training and support for our committee members to ensure they have the skills necessary to perform their duties effectively. In this regard the Association developed a Training Plan for Staff and Committee Members which culminated in 12 of our Management Committee Members completing an ILM accredited course in Leadership and Management.

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2016

Management Committee and Executive Officers

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

Each member of the Management Committee holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the Association's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Management Committee.

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

Statement of Management Committee's Responsibilities

The Co-operative and Community Benefit Act 2014 require the Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those Financial Statements, the Management Committee is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 2014 and the Determination of Accounting Requirements - 2015. 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.

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2016

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;
- 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;
- 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.

Donations

During the year the Association made charitable donations amounting to £778 (2015: £1,357).

Auditors

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

By order of the Management Committee



MARGARET COX

Secretary

04 August 2016

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

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



In addition to our audit of the Financial Statements, we have reviewed your statement on Page 5 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 5 has provided the disclosures required by the relevant Regulatory Standards with 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 .

ALEXANDER SLOAN
Chartered Accountants

GLASGOW
04 August 2016

We have audited the financial statements of Lochfield Park Housing Association Limited for the year ended 31st March 2016 which comprise a statement of comprehensive income, statement of financial position, 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 accounting standard of the United Kingdom

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 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 of our report.

Opinion on the financial statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Association's affairs as at 31st March 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 2014 and the Determination of Accounting Requirements 2015.

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.

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

Matters on which we are required to report by exception (contd.)

- the Statement of Comprehensive Income to which our report relates, and the Statement of Financial Position 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.



ALEXANDER SLOAN

Chartered Accountants

Statutory Auditors

GLASGOW

04 August 2016

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2016

	Notes	2016 £	2015 £
REVENUE	2.	2,644,019	2,477,110
Operating Costs	2.	(1,713,114)	(1,639,931)
OPERATING SURPLUS	9.	930,905	837,179
Loss On Sale Of Housing Stock	7.	(52,051)	-
Interest Receivable and Other Income		13,337	13,558
Interest Payable and Similar Charges	8.	(372,115)	(380,093)
Other Finance Charges	11.	17,320	(62,000)
		(393,509)	(428,535)
SURPLUS FOR YEAR		<u>537,396</u>	<u>408,644</u>
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>537,396</u>	<u>408,644</u>
Tax on surplus on ordinary activities	10.	-	-
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>537,396</u>	<u>408,644</u>

All amounts relate to continuing operations. Comparative figures have been restated to reflect the adoption of the Housing SORP 2014 and FRS102.

The notes on pages 13 to 28 form part of these financial statements.

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2016

	Notes	2016		2015	
		£	£	£	£
NON-CURRENT ASSETS					
Housing Properties - Depreciated Cost	12.(a)		30,127,334		30,534,912
Other Non Current Assets	12.(b)		692,670		728,860
			<u>30,820,004</u>		<u>31,263,772</u>
RECEIVABLES: Amounts falling due after more than one year					
	14.		-		-
CURRENT ASSETS					
Receivables	14.	80,764		122,503	
Cash at bank and in hand		3,097,837		2,834,297	
		<u>3,178,601</u>		<u>2,956,800</u>	
CREDITORS: Amounts falling due within one year					
	15.	(480,796)		(525,846)	
NET CURRENT ASSETS					
			<u>2,697,805</u>		<u>2,430,954</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			33,517,809		33,694,726
CREDITORS: Amounts falling due after more than one year					
	16.		(7,687,552)		(7,957,507)
DEFERRED INCOME					
Social Housing Grants	18.	(19,765,529)		(20,398,538)	
Other Grants	18.	(610,798)		(422,145)	
			<u>(20,376,327)</u>		<u>(20,820,683)</u>
NET ASSETS					
			<u>5,453,930</u>		<u>4,916,536</u>
EQUITY					
Share Capital	19.		188		190
Revenue Reserves			5,453,742		4,916,346
			<u>5,453,930</u>		<u>4,916,536</u>

Comparative figures have been restated to reflect the adoption of the Housing SORP 2014 and FRS102.

The Financial Statements were approved by the Management Committee and authorised for issue and signed on their behalf on 04 August 2016.

Chairperson  Vice-Chairperson 


Secretary

The notes on pages 13 to 28 form part of these financial statements.

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

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

	Notes	2016	2015
		£	£
Net Cash Inflow from Operating Activities	17.	980,912	880,159
Investing Activities			
Acquisition and Construction of Properties	(462,257)	(672,849)	
Purchase of Other Fixed Assets	-	(33,435)	
Purchase of investment properties	-	-	
Social Housing Grant Received	78,568	(1,817)	
Social Housing Grant Repaid	(43,035)	-	
Other Grants Received	205,329	133,824	
Changes on short term deposits with banks	-	515,000	
Proceeds on sale of investments	-	-	
Proceeds on Disposal of Properties	73,535	-	
Net Cash Outflow from Investing Activities		(147,860)	(59,277)
Financing Activities			
Loan Advances Received	-	225,000	
Loan Redemption Payments	-	-	
Interest Received on Cash and Cash Equivalents	13,337	13,558	
Interest Paid on Loans	(372,115)	(380,093)	
Loan Principal Repayments	(210,739)	(203,200)	
Share Capital Issued	5	10	
Net Cash Outflow from Financing		(569,512)	(344,725)
Increase in Cash		263,540	476,157
Opening Cash & Cash Equivalents		2,834,297	2,358,140
Closing Cash & Cash Equivalents		3,097,837	2,834,297
Cash and Cash equivalents as at 31 March 2016.			
Cash		3,097,837	2,834,297
Bank overdraft		-	-
		3,097,837	2,834,297

The notes on pages 13 to 28 form part of these financial statements.

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY

31st MARCH 2016

	Share Capital	Revaluation Reserve	Revenue Reserve	Total
	£		£	£
Balance as at 1st April 2014	270		4,507,702	4,507,972
Issue of Shares	10			10
Cancellation of Shares	(90)			(90)
Adjustment from transition to FRS 102			67,897	67,897
Surplus for Year			340,747	340,747
Balance as at 31st March 2015	190	-	4,916,346	4,916,536
Balance as at 1st April 2015	190	-	4,916,346	4,916,536
Issue of Shares	5			5
Cancellation of Shares	(7)			(7)
Unrealised movement on revaluation				-
Revaluation in year				-
Transfer to revenue Reserve on disposal				-
Surplus for Year			537,396	537,396
Balance as at 31st March 2016	188	-	5,453,742	5,453,930

The reserves opening balance has been restated to reflect the change in accounting requirements under the Housing SORP 2014 and FRS102.

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

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, applicable for accounting periods on or after 1 January 2015.

Revenue

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised with 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 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 Statement of Financial Position. 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>
Kitchen Units	15 years
Bathroom Suites	25 years
Windows	30 years
Rewiring	30 years
Martec Doors	30 years
Structure	50 years

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016 NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 Premises	- 2% Straight Line
Furniture and Fittings	- 10-20% Reducing Balance
Computer Equipment	- 33.3% Straight Line
Office Equipment	- 10-20% Reducing Balance

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

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 Statement of Comprehensive Income when these components are replaced.

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

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

Sales Of Housing Properties

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 Statement of Comprehensive Income.

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 Statement of Comprehensive Income.

Disposals under shared equity schemes are accounted for in the Statement of Comprehensive Income. 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 Lochfield Park'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.

LOCHFELD PARK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Estimation Uncertainty (continued)

Useful life of properties, plant and equipment

The Association assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this.

Costs of shared ownership

The Association allocates costs to shared ownership properties on a percentage basis split across the number of properties the Association owns.

Pension Liability

In March 2016 the Association received details from the Pension Trust of the provisional valuation of the pension scheme at September 2015 and the Pension Trust's estimate of the Association's future past service deficit contributions. The Association has used this to provide the basis of the pension past service deficit liability in the financial statements. The Board feel this is the best available estimate of the past service liability.

Leases/Leased Assets

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a

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.

Derivative Financial Instruments

The Association uses an interest-rate swap to manage its exposure to interest-rate movements. The fair value of these contracts is recorded in the balance sheet and is determined by discounted future cash flows at the prevailing market rates at the balance sheet date.

The Association's interest rate swap is not designated as a hedging instrument.

Negative Goodwill

Negative goodwill created through acquisition is written off to the Statement of Comprehensive Income as the non-cash assets acquired are depreciated or sold.

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
- ii) The Association has not revisited the accounting of previous business combinations

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 schemes 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

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING ACTIVITIES

Notes	2016			2015			
	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	
Affordable letting activities	3.	2,630,153	1,701,165	928,988	2,468,783	1,631,780	837,003
Other Activities	4.	13,866	11,949	1,917	8,327	8,151	176
Total		2,644,019	1,713,114	930,905	2,477,110	1,639,931	837,179

3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General			2016 Total £	Restated 2015 Total £
	Needs Housing £	Supported Housing £	Shared ownership £		
Revenue from Lettings					
Rent Receivable Net of Service Charges	1,860,357	-	45,973	1,906,330	1,824,218
Service Charges	-	-	-	-	-
Gross income from rent and service charges	1,860,357	-	45,973	1,906,330	1,824,218
Less: Rent losses from voids	4,430	-	-	4,430	3,701
Net Rents Receivable	1,855,927	-	45,973	1,901,900	1,820,517
Grants released from deferred income	713,121	-	15,132	728,253	648,266
Revenue grants from Scottish Ministers	-	-	-	-	-
Other revenue grants	-	-	-	-	-
Total turnover from affordable letting activities	2,569,048	-	61,105	2,630,153	2,468,783
Expenditure on affordable letting activities					
Management and maintenance administration costs	631,137	-	15,992	647,129	614,405
Service Costs	-	-	-	-	-
Planned and cyclical maintenance, including major repairs	135,984	-	-	135,984	132,193
Reactive maintenance costs	105,132	-	-	105,132	96,394
Bad Debts - rents and service charges	25,637	-	-	25,637	16,739
Depreciation of affordable let properties	772,151	-	15,132	787,283	772,049
Impairment of affordable letting activities	-	-	-	-	-
Operating costs of affordable letting activities	1,670,041	-	31,124	1,701,165	1,631,780
Operating surplus on affordable letting activities	899,007	-	29,981	928,988	837,003
2015	809,863	-	27,140		

The disclosure of turnover, operating costs and operating surplus from affordable letting activities has been restated to reflect the requirements of the Housing SORP 2014. Comparative figures have been restated on the same basis.

LOCHFELD PARK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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	Bad Debts	Other	Operating Costs	Operating Surplus / (Deficit)	Operating Surplus / (Deficit)
	£	£	£	£	£	£	£	£	£	£	£
Wider Role Activities	13,144	-	-	-	13,144	-	-	-	11,949	1,195	-
Care and Repair	-	-	-	-	-	-	-	-	-	-	-
Investment property activities	-	-	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-	-	-	-
Support Activities	-	-	-	-	722	-	-	-	-	722	176
Care Activities	-	-	-	-	-	-	-	-	-	-	-
Contracted out services undertaken for other RSLs	-	-	-	-	-	-	-	-	-	-	-
Contracted out services undertaken for other organisations	-	-	-	-	-	-	-	-	-	-	-
Development for sale to registered social landlords	-	-	-	-	-	-	-	-	-	-	-
Development and improvement for sale to other organisations	-	-	-	-	-	-	-	-	-	-	-
Uncapitalised development administration costs	-	-	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	-	-	-	-	-	-	-	-
Rechargeable Repair - Bad Debts	-	-	-	-	-	-	-	-	-	-	-
Total From Other Activities	13,144	-	-	-	13,866	-	-	-	11,949	1,917	176
2015	8,327	-	-	-	8,327	-	-	-	8,151	176	-

The disclosure of turnover, operating costs and operating surplus from affordable letting activities has been restated to reflect the requirements of the Housing SORP 2014. Comparative figures have been restated on the same basis.

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. 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
	£	£
Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)	<u>71,443</u>	<u>70,337</u>
Compensation payable to Officers for loss of Office	<u>-</u>	<u>-</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>8,601</u>	<u>8,474</u>
Emoluments payable to Chief Executive (excluding pension contributions)	<u>71,443</u>	<u>70,337</u>
Total Compensation paid to key management personnel	<u>80,044</u>	<u>78,811</u>

Consideration paid for services of key management personnel paid to third parties

- -

The number of Officers, including the highest paid Officer, who received emoluments (excluding pension contributions) over £60,000 was in the following ranges:-

	Number	Number
£60,001 to £70,000	-	-
£70,001 to £80,000	1	1
£80,001 to £90,000	<u>-</u>	<u>-</u>

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	325,813	312,791
Social Security Costs	26,494	25,454
Other Pension Costs	41,329	38,827
Temporary, Agency and Seconded Staff	-	-
	<u>393,636</u>	<u>377,072</u>

LOCHFIELD PARK HOUSING ASSOCIATION LIMITE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. LOSS ON SALE OF HOUSING STOCK

	2016	2015
	£	£
Sales Proceeds	73,535	-
Cost of Sales	<u>125,586</u>	-
Loss On Sale Of Housing Stock	<u>(52,051)</u>	<u>-</u>

8. INTEREST PAYABLE & SIMILAR CHARGES

	2016	2015
	£	£
On Bank Loans & Overdrafts	372,115	380,093
On Other Loans	-	-
Deferred interest	-	-
Late payment of taxaion	-	-
Early redemption penalties	-	-
	<u>372,115</u>	<u>380,093</u>
Less: Interest Capitalised	-	-
	<u>372,115</u>	<u>380,093</u>

9. SURPLUS FOR YEAR

	2016	2015
	£	£
Surplus is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	823,474	806,923
Auditors' Remuneration - Audit Services	6,132	5,952
Auditors' Remuneration - Other Services	2,146	500
Operating Lease Rentals - Land & Buildings	-	-
Operating Lease Rentals - Other	870	972
Gain on sale of fixed assets	-	-
	<u>-</u>	<u>-</u>

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 Discounted Liabilities	<u>(17,320)</u>	<u>62,000</u>

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. NON-CURRENT ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Completed Shared Ownership Properties £	Total £
COST				
As at 1st April 2015	39,162,394	194,765	1,046,874	40,404,033
Additions	126,809	335,448	-	462,257
Disposals	(128,290)	-	-	(128,290)
Schemes Completed	279,462	(279,462)	-	-
As at 31st March 2016	39,440,375	250,751	1,046,874	40,738,000
DEPRECIATION				
As at 1st April 2015	9,636,076	-	233,045	9,869,121
Charge for Year	769,812	-	17,472	787,284
Disposals	(45,739)	-	-	(45,739)
As at 31st March 2016	10,360,149	-	250,517	10,610,666
NET BOOK VALUE				
As at 31st March 2016	29,080,226	250,751	796,357	30,127,334
As at 31st March 2015	29,526,318	194,765	813,829	30,534,912

Additions to housing properties includes capitalised development administration costs of £nil (2015 - £nil) and capitalised major repair costs to existing properties of £126,809 (2015 £65,250)

All land and housing properties are freehold.

Total expenditure on existing properties in the year amounted to £367,925. The amount capitalised is £126,809, with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £126,809 and improvement of £nil.

The Association's Lenders have standard securities over Housing Property with a carrying value of £15,493,563 (2015 - £15,993,422).

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. NON CURRENT ASSETS (Continued)

b) Other Tangible Assets	Office Premises £	Furniture & Equipment £	Total £
COST			
As at 1st April 2015	797,078	143,998	941,076
Additions	-	-	-
Eliminated on Disposals	-	-	-
As at 31st March 2016	<u>797,078</u>	<u>143,998</u>	<u>941,076</u>
AGGREGATE DEPRECIATION			
As at 1st April 2015	111,591	100,625	212,216
Charge for year	15,942	20,248	36,190
Eliminated on disposal	-	-	-
As at 31st March 2016	<u>127,533</u>	<u>120,873</u>	<u>248,406</u>
NET BOOK VALUE			
As at 31st March 2016	<u>669,545</u>	<u>23,125</u>	<u>692,670</u>
As at 31st March 2015	<u>685,487</u>	<u>43,373</u>	<u>728,860</u>

13 COMMITMENTS UNDER OPERATING LEASES

	2016	2015
	£	£
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-		
Not later than one year	-	-
Later than one year and not later than five years	2,430	3,402
Later than five years	-	-
	<u>2,430</u>	<u>3,402</u>

Lease commitments have been restated under FRS102 to include the timing of the full payment due under the contract.

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. RECEIVABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Arrears of Rent & Service Charges	126,062	113,905
Less: Provision for Doubtful Debts	(65,000)	(36,000)
	61,062	77,905
Social Housing Grant Receivable	1,817	1,817
Other Receivables	17,885	42,781
	<u>80,764</u>	<u>122,503</u>

15. PAYABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Housing Loans	200,794	206,988
Trade Payables	25,575	88,969
Rent in Advance	43,913	40,080
Other Taxation and Social Security	-	7,408
Amounts Due to Group Undertakings	-	-
Other Payables	30,441	49,815
Liability for Past Service Contributions	48,090	47,248
Accruals and Deferred Income	131,983	85,338
	<u>480,796</u>	<u>525,846</u>

At the balance sheet date there were pension contributions outstanding of £nil (2015 £10,254)

16. PAYABLES AMOUNTS FALLING DUE AFTER ONE YEAR

	2016	2015
	£	£
Liability for Past Service Contributions	275,962	341,372
Derivative Financial Instruments	-	-
Housing Loans	<u>7,411,590</u>	<u>7,616,135</u>
	<u>7,687,552</u>	<u>7,957,507</u>
<i>Housing Loans</i>		
Amounts due within one year	200,794	206,988
Amounts due in one year or more but less than two years	209,681	202,252
Amounts due in two years or more but less than five years	835,664	668,682
Amounts due in more than five years	6,366,245	6,745,201
	7,612,384	7,823,123
Less: Amount shown in Current Liabilities	200,794	206,988
	<u>7,411,590</u>	<u>7,616,135</u>
<i>Liability for Past Service Contributions</i>		
Amounts due within one year	48,090	47,248
Amounts due in one year or more but less than two years	55,725	46,233
Amounts due in two years or more but less than five years	168,368	158,358
Amounts due in more than five years	51,869	136,781
	<u>324,052</u>	<u>388,620</u>

The Association has a number of long-term housing loans the terms and conditions of which are as follows:

Lender	Security	Effective Interest Rate	Maturity	Variable / Fixed
Royal Bank of	Standard Security over 260 properties	LIBOR plus 0.25%	2016	Variable
Royal Bank of	Standard Security over 260 properties	5.56%	2037	Fixed
Royal Bank of	Standard Security over 260 properties	5.66%	2037	Fixed
Royal Bank of	Standard Security over 260 properties	4.26%	2034	Fixed
Royal Bank of	Standard Security over 260 properties	LIBOR plus 0.23%	2039	Variable

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

The liability for the past service contributions has been accounted for in accordance with FRS 102 para 28.13A and represents the present value of the contributions payable. The cash out flows have been discounted at a rate of 2.64%

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. STATEMENT OF CASH FLOWS

<i>Reconciliation of operating surplus to Balance as at 31st March 2016</i>	2016 £	2015 £
Operating Surplus	930,905	837,179
Depreciation	823,474	806,923
Amortisation of Capital Grants	(728,253)	(648,266)
Change in debtors	41,739	(16,614)
Change in creditors	(104,266)	(36,973)
Gain on sale of fixed assets	-	-
Unwinding of Discount on Pension Liability	17,320	(62,000)
Share Capital Written Off	(7)	(90)
Balance as at 31st March 2016	<u>980,912</u>	<u>880,159</u>

18. DEFERRED INCOME

	2016 £	2015 £
<i>Social Housing Grants</i>		
Balance as at 1st April 2015	20,398,538	21,035,125
Additions in year	78,568	-
Released / Repaid as the result of property disposal	(69,726)	-
Amortisation in Year	(641,851)	(636,587)
Balance as at 31st March 2016	<u>19,765,529</u>	<u>20,398,538</u>
<i>Other Grants</i>		
Balance as at 1st April 2015	422,145	300,000
Additions in year	205,329	133,824
Released / Repaid as the result of property disposal	-	-
Amortisation in Year	(16,676)	(11,679)
Balance as at 31st March 2016	<u>610,798</u>	<u>422,145</u>
Total	<u>20,376,327</u>	<u>20,820,683</u>

This is expected to be released to the Statement of Comprehensive Income in the following years:

	2016 £	2015 £
Amounts due within one year	658,527	648,266
Amounts due in one year or more	19,717,800	20,172,417
	<u>20,376,327</u>	<u>20,820,683</u>

LOCHFIELD PARK HOUSING ASSOCIATION LIMITE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2015	190
Issued in year	5
Cancelled in year	(7)
At 31st March 2016	<u>188</u>

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

20. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2016 No.	2015 No.
General Needs - New Build	354	355
General Needs - Rehabilitation	134	125
Shared Ownership	22	22
Supported Housing	-	-
	<u>510</u>	<u>502</u>

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. RELATED PARTY TRANSACTIONS

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

Those members that are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their positions to their advantage.

Governing Body Members cannot use their position to their advantage. Any transactions between the Association and any entity with which a Governing Body Member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with governing body members (and their close family) were as follows:

Rent Received from Tenants on the Committee	£ 49,425
Factoring Charges received from owners on the Committee	nil

At the year end total rent arrears owed by the tenant members of the Committee were £486

At the year end total factoring arrears owed by the factored owners of the Committee were £nil

22. DETAILS OF ASSOCIATION

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

The Association's principle place of business is 37 Drumlanrig Avenue, Easterhouse, Glasgow.

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

23. GOVERNING BODY MEMBER EMOLUMENTS

Board members received £nil in the year by way of reimbursement of expenses (2015 - £nil). No remuneration is paid to Board members in respect of their duties in the Association.

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. RETIREMENT BENEFIT OBLIGATIONS

General

Lochfield Park 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 period under FRS102 represents the employer contribution payable.

The last provisional valuation of the Scheme was performed as at 30th September 2015 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £612m. The valuation revealed a shortfall of assets compared with the value of liabilities of £198m (equivalent to a past service funding level of 76%).

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.

Based on the provisional valuation the Scheme has provided an estimate of the contributions required to fund the past service deficit. Under the new proposals the Association will make payments of £57,878 from 1 April 2017. Payments are expected to increase by 3% per annum and continue until February 2022. Once finalised the proposals will replace the original plan which was expected to have lasted 10 years.

All employer's 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 £324,052 (2015 - £388,620). 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 2.64% (2015: 3.58%).

The Association made payments totalling £ (2015: £) to the pension scheme during the year.

LOCHFIELD PARK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25 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 period beginning on 1 April 2015. As a result of this the comparative figures for the period 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.

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 period ending 31 March 2016.

		Reconciliation of Capital & Reserves					
		At 31 March 2015			At 31 March 2014		
	Note	As previously Stated	Effect of Transition	As Restated	As previously Stated	Effect of Transition	As Restated
		£	£	£	£	£	£
Non Current Assets	(i)	8,742,756	22,521,016	31,263,772	8,412,850	22,951,561	31,364,411
Investment		-	-	-	-	-	-
Debtors due after more than a year		-	-	-	-	-	-
Negative Goodwill		-	-	-	-	-	-
Current Assets		2,956,800	-	2,956,800	2,977,212	-	2,977,212
Current Liabilities	(ii)	(478,598)	(47,248)	(525,846)	(524,508)	(46,000)	(570,508)
Non Current Liabilities	(ii)	(7,616,135)	(341,372)	(7,957,507)	(7,601,398)	(326,620)	(7,928,018)
Deferred Income	(i)	-	(20,820,683)	(20,820,683)	-	(21,335,125)	(21,335,125)
		3,604,823	1,311,713	4,916,536	3,264,156	1,243,816	4,507,972
Capital & Reserves		(3,604,823)	(1,311,713)	(4,916,536)	(3,264,156)	(1,243,816)	(4,507,972)

		Reconciliation of Retained Surpluses for the Year		
		Year Ended 31 March 2015		
	Note	As previously Stated	Effect of Transition	As Restated
		£	£	£
Revenue	(i)		1,828,844	2,477,110
Operating Costs	(i) & (ii)		(1,121,562)	(1,639,931)
Other Income			-	-
Exceptional item			-	-
Interest Receivable			13,558	13,558
Interest Payable			(380,093)	(380,093)
Change in Fair Value of Financial Inst.			-	-
Other Finance Income / Costs			(62,000)	(62,000)
			340,747	408,644
Surplus			340,747	408,644

Notes to the Reconciliations

(i) - Social Housing Grants and Other grants have been accounted for in accordance with the SORP which has meant that grants are no longer deducted from the cost of the capital asset, but are instead treated as deferred income which is recognised in income over the useful life of the related asset.

(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. This liability was not previously recognised and payments made under this agreement were written off as operating costs. In addition to this the Association has an interest rate swap which was previously unrecognised, but now requires to be recognised at its fair value under FRS 102 Section 12.

(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 FRS 102 para 28.13A