



Alexander Sloan
Accountants and Business Advisers

Pineview Housing Association Limited

Report and Financial Statements

For the year ended 31st March 2017

Registered Housing Association No.HAC231

FCA Reference No. 2357R(S)

Scottish Charity No. SC038237

PINEVIEW HOUSING ASSOCIATION LIMITED

CONTENTS

	Page
MEMBERS OF THE MANAGEMENT COMMITTEE EXECUTIVES AND ADVISERS	1
REPORT OF THE MANAGEMENT COMMITTEE	2
REPORT BY THE AUDITORS ON CORPORATE GOVERNANCE MATTERS	6
REPORT OF THE AUDITORS	7
STATEMENT OF COMPREHENSIVE INCOME	9
STATEMENT OF FINANCIAL POSITION	10
STATEMENT OF CASHFLOWS	11
STATEMENT OF CHANGES IN EQUITY	12
NOTES TO THE FINANCIAL STATEMENTS	13

PINEVIEW HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS YEAR ENDED 31st MARCH 2017

MANAGEMENT COMMITTEE

Jean Black	Chairperson
Kenny McGinty	Vice Chair
Josephine McGinty	Secretary
Myra Frater	Treasurer
Winifred McPhail	
Anna Welsh	
Amanda Smith	
Aziz Yasin	
Jim O'Conner	
Sharon Kane	
Gail Boyle	
Rose West	Resigned May 2016
Melanie Paterson	Resigned January 2017
Wendy Hughes	Resigned May 2016

EXECUTIVE OFFICERS

Joyce Orr	Director
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REGISTERED OFFICE

5 Rozelle Avenue
Drumchapel
Glasgow
G15 7QR

AUDITORS

Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow
G2 7HF

INTERNAL AUDITORS

Wylie and Bisset LLP
168 Bath Street
Glasgow
G2 4TP

BANKERS

Bank of Scotland
19 Roman Road
Bearsden
Glasgow
G61 2SP

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

FINANCE AGENTS

FMD Financial Services
KCEDG Commercial Centre
Unit 29 Ladyloan Place
Glasgow
G15 8LB

PINEVIEW HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2017

The Management Committee presents its report and the Financial Statements for the year ended 31st March 2017.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.2357R(S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC038237.

Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation.

Review of Business and Future Developments

Pineview Housing Association Ltd is a community based housing association in the Drumchapel area of Glasgow. The Association owns 534 properties, part owns 23 shared ownership properties and provides factoring services for a further 28 properties. At 31 March 2017 the Management Committee comprises of 6 Association tenants, 1 local resident and 4 others with an interest in the Association.

The Association does not have any current development plans. Instead, the Management Committee continues to concentrate the Association's efforts on maintaining current properties and continually developing customer services for tenants, owners and other customers.

The Management Committee continues to follow a prudent approach to the financial affairs of the Association and retains close control of these. Investments are regularly reviewed to ensure that the Association achieves the best return in a climate of low interest rates, whilst spreading the risk of investments across institutions. The Management Committee also keeps the Association's loan portfolio under review and monitors the impact of financial decisions on the loan covenant conditions that the Association is required to meet.

Along with ensuring effective management of the Association's finances, the Management Committee are committed to ensuring that value for money remains a top priority for the Association. We look to achieve this as an independent RSL and with our local partners. Where it can add value we are working with other local RSLs to procure, purchase and provide. We work closely with the other local RSLs especially in terms of staff and committee training, welfare benefits advice services and some maintenance procurement. This year we have collaboratively developed a maintenance framework to meet current procurement requirements, have developed a local common allocation policy and joined the Glasgow Housing Register to assist customers. We will continue this joint working, where appropriate, into the future. This commitment to ensuring value for money is recognised by our tenants, with 94.14% of tenants who took part in our 2016 independent satisfaction survey stating that they feel that the rent for their property represents good value for money, this is an increase from 77.88% in 2013.

Ensuring the collection of rental income remains a priority for the Association. While working to keep rents affordable we need to ensure that we maximise our collection of rental charges due. This has been a challenge with the introduction of UK Government Welfare Reforms but the Association staff continue to work with our tenants to assist and help resolve any debt issues.

The Management Committee continued their annual committee member reviews to ensure that as a committee, and as individual committee members, they meet regulatory and good practice requirements. This work went well and is continuing into 2017/18 and beyond.

PINEVIEW HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2017

Review of Business and Future Developments (Contd.)

Tenant involvement is crucial to the success of the Association and we are very grateful to our active Resident and Customer Forum for all the work they do with us. During 2016/17 we undertook an independent tenant and resident satisfaction survey to gauge the opinion of our customers. The results from this were very positive and we will be using the outcomes to help shape our future services.

PINEVIEW HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2017

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 requires the Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing 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 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 members of 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.

PINEVIEW HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2017

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 2017. 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 £1,747 (2016: £550).

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

JOSEPHINE MCGINTY

Secretary

13 June 2017

PINEVIEW HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE MEMBERS OF PINEVIEW 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 contained within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator, in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the Management Committee and Executive Officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls .

ALEXANDER SLOAN
Chartered Accountants
Statutory Auditors
GLASGOW
13 June 2017





We have audited the financial statements of Pineview Housing Association Limited for the year ended 31 March 2017 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 standards 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 Financial Reporting Council's (FRC) 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 2017 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
PINEVIEW 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
13 June 2017



PINEVIEW HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2017

	Notes	2017	2016
		£	£
REVENUE	2.	2,860,770	3,001,983
Operating Costs	2.	(2,117,453)	(2,134,727)
OPERATING SURPLUS	9.	743,317	867,256
Loss On Sale Of Housing Stock	7.	(872)	(34,729)
Interest Receivable and Other Income		35,880	30,508
Interest Payable and Similar Charges	8.	(83,708)	(114,263)
Other Finance Charges	11.	(16,129)	(8,194)
		(64,829)	(126,678)
Surplus on ordinary activities before taxation		678,488	740,578
SURPLUS FOR YEAR		678,488	740,578
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		678,488	740,578

The notes on pages 13 to 27 form part of these financial statements.

PINEVIEW HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2017

	Notes	2017		2016	
		£	£	£	£
NON-CURRENT ASSETS					
Housing Properties - Depreciated Cost	12.(a)		26,445,018		27,231,859
Other Non Current Assets	12.(b)		67,052		56,851
			<u>26,512,070</u>		<u>27,288,710</u>
CURRENT ASSETS					
Receivables	15.	56,755		52,694	
Investments	25.	2,916,392		3,150,000	
Cash at bank and in hand		1,010,087		432,112	
		<u>3,983,234</u>		<u>3,634,806</u>	
CREDITORS: Amounts falling due within one year	16.	(721,513)		(836,501)	
			<u>3,261,721</u>		<u>2,798,305</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>29,773,791</u>		<u>30,087,015</u>
CREDITORS: Amounts falling due after more than one year	17.		(4,053,422)		(4,377,372)
DEFERRED INCOME					
Social Housing Grants	19.	(18,719,642)		(19,387,393)	
			<u>(18,719,642)</u>		<u>(19,387,393)</u>
NET ASSETS					
			<u><u>7,000,727</u></u>		<u><u>6,322,250</u></u>
EQUITY					
Share Capital	20.		198		209
Revenue Reserves			7,000,529		6,322,041
			<u><u>7,000,727</u></u>		<u><u>6,322,250</u></u>

The Financial Statements were approved by the Management Committee and authorised for issue and signed on their behalf on 13 June 2017.

Jean Black
*Management Committee
 Member*

Myra Frater
*Management Committee
 Member*

Josephine McGinty
Secretary

The notes on pages 13 to 27 form part of these financial statements.

PINEVIEW HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

31st MARCH 2017

	Notes	2017	2016
		£	£
Net Cash Inflow from Operating Activities	18.	775,740	1,113,742
Investing Activities			
Acquisition and Construction of Properties	(124,890)	(336,510)	
Purchase of Other Fixed Assets	(25,076)	(3,535)	
Changes on short term deposits with banks	233,608	(300,000)	
Proceeds on Disposal of Properties	35,152	38,273	
Net Cash Inflow / (Outflow) from Investing Activities		118,794	(601,772)
Financing Activities			
Interest Received on Cash and Cash Equivalents	35,880	30,508	
Interest Paid on Loans	(83,708)	(114,264)	
Loan Principal Repayments	(268,760)	(532,768)	
Share Capital Issued	29	33	
Net Cash Outflow from Financing		(316,559)	(616,491)
Increase / (decrease) in Cash		577,975	(104,521)
Opening Cash & Cash Equivalents		432,112	536,633
Closing Cash & Cash Equivalents		1,010,087	432,112
Cash and Cash equivalents as at 31 March 2017.			
Cash		1,010,087	432,112
		1,010,087	432,112

The notes on pages 13 to 27 form part of these financial statements.

PINEVIEW HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31st MARCH 2017

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1st April 2015	204	5,581,463	5,581,667
Issue of Shares	33	-	33
Cancellation of Shares	(28)	-	(28)
Surplus for Year	-	740,578	740,578
Balance as at 31 March 2016	209	6,322,041	6,322,250
Balance as at 1st April 2016	209	6,322,041	6,322,250
Issue of Shares	29	-	29
Cancellation of Shares	(40)	-	(40)
Surplus for Year	-	678,488	678,488
Balance as at 31 March 2017	198	7,000,529	7,000,727

The reserves opening balance at 1st January 2015 has been restated to reflect the change in accounting requirements under the Housing SORP 2014 and FRS102.

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

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.

Basis Of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords 2014, and on the historical cost basis. They also comply with the Determination of Accounting Requirements 2015. A summary of the more important accounting policies is set out below.

Revenue

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised with expenditure as it 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. Retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme.

The Association still has a liability for past service costs contributions to the Scottish Housing Association Defined Benefit Pension Scheme. The Association provides 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 a 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.

Component	Useful Economic Life
Kitchens	15 Years
Bathrooms	30 Years
Boilers	15 Years
Radiators	30 Years
Windows	35 Years
External Doors	20 Years
Internal Doors	30 Years
Rewiring	30 Years
Structure	50 Years

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017 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%
Furniture and Fittings and Equipment	-33%
Motor Vehicles	-33%

The carrying value of non-current assets is 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 they relate.

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 Pineview Housing Association Limited 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, are disclosed below:

a) 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.

b) 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.

c) 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.

d) Costs of shared ownership

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

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Leases/Leased Assets

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Statement of Financial Position 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.

Key Judgements made in the application of Accounting Policies

a) 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.

b) 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.

c) 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 Management Committee feel this is the best available estimate of the past service liability.

Financial Instruments - Basic

The Association classes all of its loans as basic financial instruments including agreements with break clauses. The Association recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

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

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Notes	2017			2016		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities	3.	2,839,462	2,097,089	742,373	2,910,186	2,111,221	798,965
Other Activities	4.	21,308	20,364	944	91,797	23,506	68,291
Total		2,860,770	2,117,453	743,317	3,001,983	2,134,727	867,256

3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General			2017 Total £	2016 Total £
	Needs Housing £	Supported Housing £	Shared ownership £		
Revenue from Lettings					
Rent Receivable Net of Service Charges	2,002,712	22,961	39,535	2,065,208	2,043,201
Service Charges	83,952	6,109	3,477	93,538	119,105
Gross income from rent and service charges	2,086,664	29,070	43,012	2,158,746	2,162,306
Less: Rent losses from voids	527	-	-	527	1,061
Net Rents Receivable	2,086,137	29,070	43,012	2,158,219	2,161,245
Grants released from deferred income	664,820	-	-	664,820	704,104
Revenue grants from Scottish Ministers	16,423	-	-	16,423	-
Other revenue grants	-	-	-	-	44,837
Total turnover from affordable letting activities	2,767,380	29,070	43,012	2,839,462	2,910,186
Expenditure on affordable letting activities					
Management and maintenance administration costs	668,109	9,214	7,497	684,820	700,366
Service Costs	88,333	6,109	3,477	97,919	114,529
Planned and cyclical maintenance, including major repairs	223,027	-	-	223,027	189,368
Reactive maintenance costs	174,580	-	-	174,580	198,282
Bad Debts - rents and service charges	18,982	-	-	18,982	15,517
Depreciation of affordable let properties	897,761	-	-	897,761	893,159
Operating costs of affordable letting activities	2,070,792	15,323	10,974	2,097,089	2,111,221
Operating surplus on affordable letting activities	696,588	13,747	32,038	742,373	798,965
2016	767,598	20,482	10,885		

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Other Income	Total Turnover	Operating Costs Other	Operating Surplus / (Deficit) 2017	Operating Surplus / (Deficit) 2016
	£	£	£	£	£
Wider Role Activities	-	-	-	-	(15,375)
Factoring	21,308	21,308	9,093	12,215	(778)
Support Activities	-	-	3,769	(3,769)	-
Other activities	-	-	7,502	(7,502)	84,444
Total From Other Activities	21,308	21,308	20,364	944	68,291
2016	91,797	91,797	23,506	68,291	

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

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.

	2017	2016
	£	£
Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)	<u>60,799</u>	<u>-</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>7,442</u>	<u>-</u>
Emoluments payable to Chief Executive (excluding pension contributions)	<u>60,799</u>	<u>58,945</u>
Total Emoluments paid to key management personnel	<u>68,241</u>	<u>58,945</u>

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	<u>1</u>	<u>-</u>

6. EMPLOYEE INFORMATION

	2017	2016
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	<u>12</u>	<u>12</u>
The average total number of Employees employed during the year was	<u>12</u>	<u>13</u>
Staff Costs were:	£	£
Wages and Salaries	384,947	394,779
Social Security Costs	36,586	35,237
Other Pension Costs	26,085	26,292
Temporary, Agency and Seconded Staff	2,945	-
	<u>450,563</u>	<u>456,308</u>

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. LOSS ON SALE OF HOUSING STOCK

	2017	2016
	£	£
Sales Proceeds	35,152	38,273
Cost of Sales	36,024	73,002
Loss On Sale Of Housing Stock	<u>(872)</u>	<u>(34,729)</u>

8. INTEREST PAYABLE & SIMILAR CHARGES

	2017	2016
	£	£
On Bank Loans & Overdrafts	<u>83,708</u>	<u>114,263</u>

9. SURPLUS FOR YEAR

	2017	2016
	£	£
Surplus is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	912,636	908,912
Auditors' Remuneration - Audit Services	7,200	9,570
Operating Lease Rentals - Other	3,416	4,854
Gain on sale of fixed assets	<u>(872)</u>	<u>(34,729)</u>

11. OTHER FINANCE INCOME / CHARGES

	2017	2016
	£	£
Unwinding of Discounted Liabilities	<u>16,129</u>	<u>8,194</u>

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. NON-CURRENT ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Completed Shared Ownership Properties £	Total £
COST			
As at 1st April 2016	38,566,798	1,238,909	39,805,707
Additions	124,890	-	124,890
Disposals	(145,998)	-	(145,998)
As at 31st March 2017	38,545,690	1,238,909	39,784,599
DEPRECIATION			
As at 1st April 2016	12,226,711	347,137	12,573,848
Charge for Year	876,342	21,419	897,761
Disposals	(132,028)	-	(132,028)
As at 31st March 2017	12,971,025	368,556	13,339,581
NET BOOK VALUE			
As at 31st March 2017	25,574,665	870,353	26,445,018
As at 31st March 2016	26,340,087	891,772	27,231,859

Additions to housing properties include capitalised development administration costs of £nil (2016 - £nil) and capitalised major repair costs to existing properties of £124,890 (2016 - £336,510)

All land and housing properties are freehold.

The Association's Lenders have standard securities over Housing Property with a carrying value of £18,535,969 (2016 - £19,094,360).

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. NON CURRENT ASSETS (Continued)

b) Other Tangible Assets	Motor Vehicles £	Office Premises £	Furniture & Equipment £	Total £
COST				
As at 1st April 2016	30,546	150,000	112,700	293,246
Additions	-	21,590	3,486	25,076
As at 31st March 2017	30,546	171,590	116,186	318,322
AGGREGATE DEPRECIATION				
As at 1st April 2016	24,436	109,250	102,709	236,395
Charge for year	6,110	3,432	5,333	14,875
As at 31st March 2017	30,546	112,682	108,042	251,270
NET BOOK VALUE				
As at 31st March 2017	-	58,908	8,144	67,052
As at 31st March 2016	6,110	40,750	9,991	56,851

13. CAPITAL COMMITMENTS

	2017 £	2016 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	473,984	-

The above commitments will be financed by a mixture of public grant, private finance and the Association's own resources.

14. COMMITMENTS UNDER OPERATING LEASES

	2017 £	2016 £
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-		
Not later than one year	4,854	2,122
Later than one year and not later than five years	683	6,148

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

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. RECEIVABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Arrears of Rent & Service Charges	70,556	63,908
Less: Provision for Doubtful Debts	(54,000)	(44,219)
	<u>16,556</u>	<u>19,689</u>
Other Receivables	40,199	33,005
	<u>56,755</u>	<u>52,694</u>

16. PAYABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Housing Loans	292,367	287,421
Trade Payables	57,033	150,408
Rent in Advance	180,003	171,925
Other Payables	92,480	85,061
Liability for Past Service Contributions	64,324	63,897
Accruals and Deferred Income	35,306	77,789
	<u>721,513</u>	<u>836,501</u>

At the balance sheet date there were pension contributions outstanding of £nil (2016 £nil).

17. PAYABLES AMOUNTS FALLING DUE AFTER ONE YEAR

	2017 £	2016 £
Liability for Past Service Contributions	266,676	316,921
Housing Loans	3,786,746	4,060,451
	<u>4,053,422</u>	<u>4,377,372</u>
Housing Loans		
Amounts due within one year	292,367	287,421
Amounts due in one year or more but less than two years	283,713	157,028
Amounts due in two years or more but less than five years	832,255	471,081
Amounts due in more than five years	2,670,778	3,432,342
	<u>4,079,113</u>	<u>4,347,872</u>
Less: Amount shown in Current Liabilities	292,367	287,421
	<u>3,786,746</u>	<u>4,060,451</u>
Liability for Past Service Contributions		
Amounts due within one year	64,324	63,897
Amounts due in one year or more but less than two years	66,303	63,678
Amounts due in two years or more but less than five years	200,373	193,175
Amounts due in more than five years	-	60,068
	<u>331,000</u>	<u>380,818</u>
Less: Amount shown in Current Liabilities	64,324	63,897
	<u>266,676</u>	<u>316,921</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
Clydesdale	Standard Security over 29 properties	0.47%	2022	Variable
Clydesdale	Standard Security over 29 properties	0.47%	2023	Variable
Clydesdale	Standard Security over 29 properties	2.33%	2025	Fixed
Clydesdale	Standard Security over 56 properties	6.46%	2029	Fixed
Clydesdale	Standard Security over 38 properties	0.45%	2031	Variable
Nationwide	Standard Security over 36 properties	0.45%	2033	Variable
Nationwide	Standard Security over 87 properties	0.45%	2033	Variable
Nationwide	Standard Security over 51 properties	0.42%	2031	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 1.06 (2016 - 2.64)

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. STATEMENT OF CASH FLOWS

Reconciliation of operating surplus to 31 March 2017

	2017 £	2016 £
Operating Surplus	743,317	867,256
Depreciation	834,038	947,683
Amortisation of Capital Grants	(586,221)	(735,175)
Change in debtors	(4,061)	83,044
Change in creditors	(195,164)	(40,844)
Unwinding of Discount on Pension Liability	(16,129)	(8,194)
Share Capital Written Off	(40)	(28)
Balance as at 31 March 2017	<u>775,740</u>	<u>1,113,742</u>

19. DEFERRED INCOME

	Housing Properties Held for Letting £	Total £
Social Housing Grants		
Balance as at 1st April 2016	29,731,549	29,731,549
Additions in the year	-	-
Transferred	-	-
Eliminated on disposal components and property	(81,530)	(81,530)
Balance as at 31st March 2017	<u>29,650,019</u>	<u>29,650,019</u>
Amortisation		
Balance as at 1st April 2016	10,344,156	10,344,156
Amortisation in year	664,820	664,820
Eliminated on disposal	(78,599)	(78,599)
Balance as at 31st March 2017	<u>10,930,377</u>	<u>10,930,377</u>
Net book value		
Balance as at 31st March 2017	<u>18,719,642</u>	<u>18,719,642</u>
Balance as at 31st March 2016	<u>19,387,393</u>	<u>19,387,393</u>
Total grants net book value as at 31 March 2017	<u>18,719,642</u>	<u>18,719,642</u>

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

	2017 £	2016 £
Amounts due within one year	664,820	704,104
Amounts due after more than one year	18,054,822	9,640,052
	<u>18,719,642</u>	<u>10,344,156</u>

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid

	£
At 1st April 2016	209
Issued in year	29
Cancelled in year	(40)
	<hr/>
At 31st March 2017	198

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.

21. HOUSING STOCK

The number of units of accommodation in management at the year end was:-

General Needs - Built by Association
General Needs - Purchased by Association
Shared Ownership
Supported Housing

	2017 No.	2016 No.
General Needs - Built by Association	426	427
General Needs - Purchased by Association	107	107
Shared Ownership	23	23
Supported Housing	1	1
	<hr/>	<hr/>
	557	558

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. RELATED PARTY TRANSACTIONS

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

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

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 is made at arm's length is under normal commercial terms.

Transactions with Management Committee members (and their close family) were as follows:

	£
Rent and factoring received from Tenants on the Committee and their close family members	38,229

At the year end total rent arrears and factoring owed by the tenant members of the Committee (and their close family) were £54

23. DETAILS OF ASSOCIATION

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

The Association's principal place of business is 5 Rozelle Avenue, Drumchapel, Glasgow.

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

24. GOVERNING BODY MEMBER EMOLUMENTS

Management Committee members received £512 in the year by way of reimbursement of expenses. (2015 - £632). No remuneration is paid to Management Committee members in respect of their duties in the Association.

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. INVESTMENTS

	2017 £	2016 £
Short term deposits	2,916,392	3,150,000

PINEVIEW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. RETIREMENT BENEFIT OBLIGATIONS

General

Pineview Housing Association Limited participated in the Scottish Housing Association Pension Scheme (the 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 formal 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 Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30th September 2016. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £341 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £207 million, equivalent to a past service funding level of 62.2%.

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 statement of financial position date the present value of this obligation was £331,000 (2016 - £380,818). This was calculated by reference to the terms of the agreement and discounting the liability using the yield rate of a high quality corporate bond with a similar term. This discount rate used was 1.06.

The Association made payments totalling £64,324 (2016: £63,897) to the pension scheme during the year.