

**REIDVALE HOUSING ASSOCIATION  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

Registered Housing Association Number: L1535  
Charity Registration Number: SCO44023  
FCA Reference Number: 1825R (S)

**REIDVALE HOUSING ASSOCIATION**

**CONTENTS**

**THE MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS .....1**

**REPORT FROM THE MANAGEMENT COMMITTEE .....2**

**REPORT BY THE AUDITORS .....7**

**INDEPENDENT AUDITORS REPORT.....8**

**INCOME AND EXPENDITURE ACCOUNT.....11**

**BALANCE SHEET .....12**

**STATEMENT OF CASH FLOWS .....13**

**STATEMENT OF CHANGES IN CAPITAL AND RESERVES.....14**

**NOTES TO THE FINANCIAL STATEMENTS.....15**

**REIDVALE HOUSING ASSOCIATION  
THE MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2018**

**MEMBERS OF THE MANAGEMENT COMMITTEE**

Ms Helen Moore	(Chairperson)
Mrs Jane Marley	(Vice Chair)
Mrs Irene McInnes	(Secretary)
Mrs Mary Dunn	(Committee Member)
Mrs Anne McKelvie	(Committee Member)
Mr Ernesto Vaz	(Committee Member)
Mrs Linda McGowan	(Committee Member)
Mr Edward Marley	(Committee Member)
Ms Davina Boyle	(Committee Member)
Mrs Irene Ferguson	(Committee Member)
Mr John Lindsay	(Committee Member)
Mr Paul Leese	(Committee Member – appointed Jan 2018)
Ms Patricia McComish	(Committee Member – appointed Jan 2018)
Ms Ellen McVey	(Committee Member – appointed Jan 2018)
Ms Yvonne McLeod	(Committee Member – appointed Jan 2018)
Mrs Christine Hadden	(Committee Member – resigned Oct 2017)

**EXECUTIVE OFFICERS**

Jim McAlpine	(Director – appointed Nov 2017)
Linda Scott	(Depute Director)
Gerry Shepherd	(Finance Manager)

**REGISTERED OFFICE**

13 Whitevale Street  
Glasgow  
G31 1QW

**AUDITORS**

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

**BANKERS**

Lloyds Bank plc  
177 Ingram Street  
Glasgow  
G1 1DL

**SOLICITORS**

TC Young  
7 West George Street  
Glasgow  
G2 1BA

**REIDVALE HOUSING ASSOCIATION  
REPORT FROM THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2018**

The Management Committee presents their report and the audited Financial Statements for the year ended 31 March 2018.

**Legal Status**

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No. 1825R (S). The Association is governed under its Rule Book. The Association is a Registered Scottish Charity with the charity number SC044023.

**Principal Activities**

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

**Review of business and future developments**

**Current Year**

The Committee is satisfied with the Association's performance during the year. The surplus before SHAPS pension adjustment was £424,947 (2017 - £332,120). The Association's net current assets at 31 March 2018 were £1,093,898 (2017 - £885,499). All figures have been stated under FRS102 accounting format.

Financial risk is primarily managed through the well-established annual budgetary process, where progress is monitored quarterly via Management Accounts. Management Accounts, which focus on cash flows, are compared to budget expectations with any material variance referred to in the notes. The longer term component replacement programme is factored into the rent setting process which allows the Association to build up a good financial 'cushion' against unforeseen events. The Committee is satisfied with the level of reserves to meet its longer term major repair work and future rent setting will continue to take account of both short and longer term commitments. Systemic financial risk, welfare reforms etc., are also incorporated into the annual budget as best as can be quantified.

The Association performs well within the post development phase with both external and internal performance indicators being satisfactorily met by the organisation. The Association has now redeemed all loans and there are no plans to utilise debt finance over the coming years.

**The Future**

Long term goals of wider regeneration initiatives have always been and will continue to be one of the Association's main objectives. Reidvale Neighbourhood Centre, Reidvale Adventure Play Association and the Reidvale Allotments offer quality social opportunities and we continue to support and promote these and other regeneration initiatives. This, plus the continuous improvement of the housing stock, which continues to meet the Scottish Housing Quality Standard, are the two principal objectives of the Association. The Association's future component replacement programme continues to include kitchen installation, central heating systems, stonework and window replacement.

Meeting the above objectives puts a constant strain on the financial resources of the organisation but long term costing for future Major Repairs budgets indicates only moderate real rises in rental income to maintain current liquidity levels. Annual budgets will continue to ensure a cautious approach to the spending of the Association's hard earned cash.

**REIDVALE HOUSING ASSOCIATION  
REPORT FROM THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2018**

This cautious approach to financial management has served the Association well over the last 40 years and it is in a healthy financial position with significant reserves and no debt. The Association has enjoyed another successful year but is not complacent. As the Association looks to the future there are plenty of challenges both internal and external to embrace. Priorities for the future include:

- Managing staff changes.
- Energy efficiency improvements as required by the Energy Efficiency Standard for Social Housing (EESH).
- Complying with new procurement legislation.
- Complying with the Scottish Housing Charter.
- Maintaining and improving value for money and improvement in all areas of operation.

**Committee of Management and Executive Officers**

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

**REIDVALE HOUSING ASSOCIATION  
REPORT FROM THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2018**

**Statement of Management Committee's responsibilities**

The Co-operative and Community Benefit Societies 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 year. In preparing those Financial Statements, the Management Committee is required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business;
- Prepare a statement on Internal Financial Control.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements - 2014. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

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

In so far as the Management Committee are aware:

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

**REIDVALE HOUSING ASSOCIATION  
REPORT FROM THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2018**

**Statement on Internal Financial Control**

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

- The reliability of financial information used within the Association, or for publication;
- The maintenance of proper accounting records; and
- The safeguarding of assets against unauthorised use or disposition.

It is the Management Committee's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of the Association's systems include ensuring that:

- Formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- Experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- Forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- Quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- The Management Committee receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken; and
- Formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2018. 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.

**REIDVALE HOUSING ASSOCIATION  
REPORT FROM THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2018**

**Auditors**

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

By order of Management Committee

Irene McInnes, Secretary  
June 2018



**REIDVALE HOUSING ASSOCIATION  
REPORT BY THE AUDITORS TO THE MANAGEMENT COMMITTEE OF REIDVALE HOUSING  
ASSOCIATION ON CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH 2018**

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.

French Duncan LLP

Chartered Accountants  
Statutory Auditors

GLASGOW

Date: June 2018

**REIDVALE HOUSING ASSOCIATION  
INDEPENDENT AUDITORS REPORT TO THE MANAGEMENT COMMITTEE OF REIDVALE HOUSING  
ASSOCIATION FOR THE YEAR ENDED 31 MARCH 2018**

**OPINION**

We have audited the financial statements of Reidvale Housing Association for the year ended 31 March 2018 which comprise a statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in reserves and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the Financial Statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2018 and of its income and expenditure 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, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements December 2014.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the housing association in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the committee members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the committee members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**OTHER INFORMATION**

The other information comprises the information contained in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**REIDVALE HOUSING ASSOCIATION  
INDEPENDENT AUDITORS REPORT TO THE MANAGEMENT COMMITTEE OF REIDVALE HOUSING  
ASSOCIATION FOR THE YEAR ENDED 31 MARCH 2018**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Co-operation and Community Benefit Societies Act 2014 requires us to report to you, if in our opinion:

- a satisfactory system of control over transactions has not been maintained; or,
- the Association has not kept proper accounting records; or,
- the financial statements are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF COMMITTEE MEMBERS**

As explained more fully in the management committee's responsibilities statement set out on page 4, the committee members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management committee are responsible for assessing the housing association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee members either intend to liquidate the housing association or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We have been appointed as auditor under the Co-operative and Community Benefit Societies Act 2014 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

**REIDVALE HOUSING ASSOCIATION  
INDEPENDENT AUDITORS REPORT TO THE MANAGEMENT COMMITTEE OF REIDVALE HOUSING  
ASSOCIATION FOR THE YEAR ENDED 31 MARCH 2018**

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the housing association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the housing association to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**USE OF OUR REPORT**

This report is made solely to the Association's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an 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.

**French Duncan LLP**

Chartered Accountants and Statutory Auditors  
133 Finnieston Street  
GLASGOW  
G3 8HB

Date:

**REIDVALE HOUSING ASSOCIATION  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
<b>REVENUE</b>	2	3,629,595	3,556,131
Operating costs	2	<u>(3,324,798)</u>	<u>(3,326,730)</u>
<b>OPERATING SURPLUS</b>	2, 9	304,797	229,401
Gain on sale of housing stock	7	123,851	141,587
Interest receivable and other similar income		4,765	4,295
Interest payable and other similar charges	8	-	(2,387)
Other Finance Charges	11	<u>(8,466)</u>	<u>(40,776)</u>
		<u>120,150</u>	<u>102,719</u>
<b>SURPLUS FOR THE YEAR</b>		<u>424,947</u>	<u>332,120</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
SHAPS pension adjustment	22	-	750,342
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>424,947</u></u>	<u><u>1,082,462</u></u>

The results for the year relate wholly to continuing activities.

The notes on page 15 to 33 form part of these financial statements.

**REIDVALE HOUSING ASSOCIATION  
BALANCE SHEET  
AS AT 31 MARCH 2018**

	Notes	2018 £	2017 £
<b>NON-CURRENT ASSETS</b>			
Housing properties - depreciated cost	12(a)	20,897,274	21,590,880
Other tangible fixed assets	12(b)	<u>314,051</u>	<u>335,593</u>
		21,211,325	21,926,473
<b>CURRENT ASSETS</b>			
Debtors	13	333,663	313,565
Cash at bank and in hand		<u>1,724,205</u>	<u>1,496,918</u>
		2,057,868	1,810,483
<b>CREDITORS:</b> amounts falling due within one year	14	<u>(963,970)</u>	<u>(924,984)</u>
<b>NET CURRENT ASSETS</b>		<u>1,093,898</u>	<u>885,499</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		22,305,223	22,811,972
<b>CREDITORS:</b> amounts falling due after more than one year	15	(590,058)	(780,377)
<b>DEFERRED INCOME</b>			
Social Housing Grants	17	<u>(18,352,070)</u>	<u>(19,093,494)</u>
		<u>3,363,095</u>	<u>2,938,101</u>
<b>EQUITY</b>			
Share capital	18	1,501	1,454
Revenue reserve		<u>3,361,594</u>	<u>2,936,647</u>
		<u>3,363,095</u>	<u>2,938,101</u>

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on June 2018.

Jane Marley  
Vice Chairperson

Anne McKelvie  
Committee Member

Irene McInnes  
Secretary

The notes on page 15 to 33 form part of these financial statements.

**REIDVALE HOUSING ASSOCIATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	16	277,361	532,596
<b>INVESTING ACTIVITIES</b>			
Acquisition and construction of housing properties	(223,591)	(354,304)	(354,304)
Purchase of other fixed assets	(39,708)	(16,290)	(16,290)
Social Housing Grant received	-	-	-
Proceeds of disposals of housing properties	208,386	272,478	272,478
<b>NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES</b>		<u>(54,913)</u>	<u>(98,116)</u>
<b>NET CASH INFLOW BEFORE FINANCING</b>		222,448	434,480
<b>FINANCING ACTIVITIES</b>			
Issue of ordinary share capital	74	90	90
Interest received	4,765	4,295	4,295
Interest paid	-	(2,387)	(2,387)
Loan principal repayments	-	-	-
<b>NET CASH INFLOW FROM FINANCING</b>		<u>4,839</u>	<u>1,998</u>
<b>INCREASE IN CASH</b>		227,287	436,478
<b>OPENING CASH AND CASH EQUIVALENTS</b>		<u>1,496,918</u>	<u>1,060,440</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		<u><u>1,724,205</u></u>	<u><u>1,496,918</u></u>

**REIDVALE HOUSING ASSOCIATION  
STATEMENT OF CHANGES IN CAPITAL AND RESERVES  
FOR THE YEAR ENDED 31 MARCH 2018**

	<b>Share Capital</b>	<b>Revenue Reserve</b>	<b>Total</b>
	£	£	£
Balance as at 1 April 2017	1,454	2,936,647	2,938,101
Issue of Shares	74	-	74
Cancelled shares	(27)	-	(27)
Surplus for Year		424,947	424,947
Balance as at 31 March 2018	<u>1,501</u>	<u>3,361,594</u>	<u>3,363,095</u>

	<b>Share Capital</b>	<b>Revenue Reserve</b>	<b>Total</b>
	£	£	£
Balance as at 1 April 2016	1,406	1,854,185	1,855,591
Issue of Shares	90	-	90
Cancelled shares	(42)	-	(42)
Surplus for Year	-	332,120	332,120
SHAPS pension adjustment	-	750,342	750,342
Balance as at 31 March 2017	<u>1,454</u>	<u>2,936,647</u>	<u>2,938,101</u>



**REIDVALE HOUSING ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. PRINCIPAL ACCOUNTING POLICIES**

**Legal status**

The Association is incorporated under the Co-operation and Community Benefits Societies Act 2014 and is registered by the Financial Conduct Authority. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

**Basis of Accounting**

These financial statements have been 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 and comply with the requirements of the Determination of Housing Requirements 2014 as issued by the Scottish Housing Regulator.

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

The following principal accounting policies have been applied:

**Going Concern**

The financial statements have been prepared on a going concern basis after consideration of the future prospects of the Association, its long term financial forecasts and the certainty of cash flow from rental of social housing stock.

**Revenue**

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

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

**Retirement Benefits**

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

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

**REIDVALE HOUSING ASSOCIATION  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
NOTES TO THE FINANCIAL STATEMENTS**

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

**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
Central Heating	15 years
External Windows	30 years
Structure	50 years

**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	15 years Straight Line
Commercial premises	15 years Straight Line
Fixtures and fittings	6.67% Reducing balance
Office Equipment	5 years Straight Line

The carrying value of non-current assets is reviewed for impairment at the end of each reporting year. Fixed assets with a cost of £10,000 or more are capitalised and depreciated in accordance with the policy noted above.

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

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

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

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

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

**Sales of Housing Properties**

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

**REIDVALE HOUSING ASSOCIATION  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
NOTES TO THE FINANCIAL STATEMENTS**

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

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.

**Estimation Uncertainty**

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

**Rent Arrears - Bad Debt Provision**

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

**Life Cycle of Components**

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

**Useful Lives of Other Fixed Assets**

The useful lives of other fixed Assets are based on the knowledge of senior management at the Association with reference to expected asset life cycles.

**Pension Liabilities**

This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate.

**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.

**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.

**Development Interest**

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

**REIDVALE HOUSING ASSOCIATION  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
NOTES TO THE FINANCIAL STATEMENTS**

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

**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 scheme in which it manages its housing property for asset management purposes.

**Financial Instruments – Basic**

The Association only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like rents, accounts receivable and payable, loans from banks and related parties.

These are recognised 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.

REIDVALE HOUSING ASSOCIATION  
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
 NOTES TO THE FINANCIAL STATEMENTS

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

		2018			2017		
	Note	Revenue £	Operating Costs £	Operating surplus/ (deficit) £	Revenue £	Operating Costs £	Operating surplus/ (deficit) £
Social letting activities	3	<u>3,519,560</u>	<u>(3,234,064)</u>	<u>285,496</u>	<u>3,442,818</u>	<u>(3,233,998)</u>	<u>208,820</u>
Other activities	4	<u>110,035</u>	<u>(90,734)</u>	<u>19,301</u>	<u>113,313</u>	<u>(92,732)</u>	<u>20,581</u>
<b>Total</b>		<u><u>3,629,595</u></u>	<u><u>(3,324,798)</u></u>	<u><u>304,797</u></u>	<u><u>3,556,131</u></u>	<u><u>(3,326,730)</u></u>	<u><u>229,401</u></u>

**REIDVALE HOUSING ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**  
**NOTES TO THE FINANCIAL STATEMENTS**

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

	<b>General Needs Housing £</b>	<b>Supported Social Housing Accommodation £</b>	<b>Shared Ownership Housing £</b>	<b>2018 Total £</b>	<b>2017 Total £</b>
<b>Revenue from lettings</b>					
Rent receivable net of identifiable service charges	2,673,567	128,866	-	2,802,433	2,736,607
Service charges receivable	8,635	72,905	-	81,540	82,983
<b>Gross rents receivable</b>	<u>2,682,202</u>	<u>201,771</u>	<u>-</u>	<u>2,883,973</u>	<u>2,819,590</u>
Less rent losses from voids	(9,837)	(437)	-	(10,274)	(16,865)
<b>Net rents receivable</b>	<u>2,672,365</u>	<u>201,334</u>	<u>-</u>	<u>2,873,699</u>	<u>2,802,725</u>
Amortisation of Social Housing & Other Grants	581,611	30,001	-	611,612	610,340
Revenue grants from local authorities and other agencies	29,854	4,395	-	34,249	29,753
<b>Total income from social letting</b>	<u>3,283,830</u>	<u>235,730</u>	<u>-</u>	<u>3,519,560</u>	<u>3,442,818</u>
<b>Expenditure on social letting activities</b>					
Management and maintenance administration costs	1,225,800	61,645	-	1,287,445	1,301,960
Service costs	9,052	67,216	-	76,268	82,609
Planned and cyclical maintenance, including major repairs	576,967	4,240	-	581,207	561,196
Reactive maintenance	424,679	22,862	-	447,541	463,489
Bad debts - rents and service charges	9,105	(165)	-	8,940	4,187
Depreciation of social housing	791,780	40,883	-	832,663	820,557
Operating costs of social letting	<u>3,037,383</u>	<u>196,681</u>	<u>-</u>	<u>3,234,064</u>	<u>3,233,998</u>
Operating surplus / (deficit) on social letting activities	<u>246,447</u>	<u>39,049</u>	<u>-</u>	<u>285,496</u>	<u>208,820</u>
2017	<u>167,292</u>	<u>41,528</u>	<u>-</u>	<u>208,820</u>	

REIDVALE HOUSING ASSOCIATION  
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
 NOTES TO THE FINANCIAL STATEMENTS

4. PARTICULARS OF INCOME AND EXPENDITURE FROM OTHER ACTIVITIES

	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other income £	Total Turnover £	Operating costs Bad Debts £	Operating Costs Other £	Operating surplus/ (deficit) 2018 £	Operating surplus/ (deficit) 2017 £
Factoring	-	-	-	26,135	26,135	-	(9,810)	16,325	15,222
Agency/ management services for registered social landlords	-	-	-	46,500	46,500	-	(54,338)	(7,838)	(8,553)
Commercial rent	-	-	-	37,400	37,400	-	(26,586)	10,814	13,912
<b>TOTAL FROM OTHER ACTIVITIES</b>	-	-	-	<u>110,035</u>	<u>110,035</u>	-	<u>(90,734)</u>	<u>19,301</u>	<u>20,581</u>
<b>TOTAL FROM OTHER ACTIVITIES FOR 2017</b>	-	-	-	<u>113,313</u>	<u>113,313</u>	-	<u>(92,732)</u>	<u>20,581</u>	

**REIDVALE HOUSING ASSOCIATION  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
NOTES TO THE FINANCIAL STATEMENTS**

**5. BOARD MEMBERS AND OFFICERS EMOLUMENTS**

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

No emoluments have been paid to any member of the management committee.

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions)	199,439	134,021
Pension contributions payable to officers with emoluments greater than £60,000 (excluding pension contributions)	24,769	16,237
Emoluments payable to the director (excluding pension contributions)	69,234	67,763
Pension contributions paid on behalf of the director	8,671	8,218
	<u>          </u>	<u>          </u>
	<b>Number</b>	<b>Number</b>
Total number of Officers, including the highest paid Officer, who received emoluments (excluding pension contributions) over £60,000 was in the following ranges:		
£60,001 - £70,000	<u>          </u> 3	<u>          </u> 2

There were no payments to board members during the year for reimbursement of expenses (2017 - £nil).



**REIDVALE HOUSING ASSOCIATION  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
NOTES TO THE FINANCIAL STATEMENTS**

**6. EMPLOYEE INFORMATION**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Staff costs during the year:		
Wages and salaries	743,362	740,472
Social security costs	82,343	81,651
Other pension costs	90,057	86,391
	<u>915,762</u>	<u>908,514</u>
	<b>Number</b>	<b>Number</b>
The average number of full time equivalent persons employed during the year was	<u>18</u>	<u>19</u>

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Sales proceeds	208,386	272,478
Cost of sales	(84,535)	(130,891)
	<u>123,851</u>	<u>141,587</u>
Gain/(loss) on sale		

**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	-	-
Other loans repayable within five years	-	2,387
	<u>-</u>	<u>2,387</u>

**REIDVALE HOUSING ASSOCIATION  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
NOTES TO THE FINANCIAL STATEMENTS**

**9. OPERATING SURPLUS/(LOSS) FOR THE YEAR**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Surplus is stated after charging:		
Depreciation of tangible owned fixed assets	893,913	881,078
Auditors' remuneration - audit services	9,000	8,700
- other services	-	-
Operating lease rentals - land and buildings	-	-
- other	-	-
Gain on sale of fixed assets	123,851	141,587
Amortisation of capital grants	<u>611,612</u>	<u>610,340</u>

**10. TAX ON SURPLUS/(LOSS) ON ORDINARY ACTIVITIES**

The Association is a Registered Scottish Charity and is exempt from Corporation Tax on its charitable activities.

**11. OTHER FINANCE INCOME/CHARGES**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Unwinding of discounted pension liabilities	<u>8,466</u>	<u>40,776</u>

**REIDVALE HOUSING ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**  
**NOTES TO THE FINANCIAL STATEMENTS**

**12. NON-CURRENT ASSETS**

**a) Housing Properties**

	<b>Housing Properties Held for Letting</b>	<b>Housing Properties in the Course of Construction</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>			
At start of year	34,799,667	-	34,799,667
Additions	223,591	-	223,591
Disposals	(136,345)	-	(136,345)
Transfers to stock	-	-	-
At end of year	<u>34,886,913</u>	<u>-</u>	<u>34,886,913</u>
<b>DEPRECIATION</b>			
At start of year	13,208,787	-	13,208,787
Charged during year	832,663	-	832,663
Eliminated on disposal	(51,811)	-	(51,811)
At end of year	<u>13,989,639</u>	<u>-</u>	<u>13,989,639</u>
<b>NET BOOK VALUE</b>			
At end of year	<u>20,897,274</u>	<u>-</u>	<u>20,897,274</u>
At start of year	<u>21,590,880</u>	<u>-</u>	<u>21,590,880</u>

Additions to housing properties includes capitalised development administration costs of £Nil (2017 - £Nil) and capitalised major repair costs to existing properties of £223,591 (2017 - £354,304).

All land and housing properties are heritable.

**REIDVALE HOUSING ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**  
**NOTES TO THE FINANCIAL STATEMENTS**

**b) Other Tangible Assets**

	Office Premises £	Land	Commercial Premises	Fixtures, Fittings and Equipment £	Total £
<b>COST</b>					
At start of year	1,108,219	5,288	175,076	323,013	1,611,596
Additions	39,708	-	-	-	39,708
Disposals	-	-	-	-	-
At end of year	<u>1,147,927</u>	<u>5,288</u>	<u>175,076</u>	<u>323,013</u>	<u>1,651,304</u>
<b>DEPRECIATION</b>					
At start of year	838,245	-	175,076	262,682	1,276,003
Charged during year	48,006	-	-	13,244	61,250
Disposals	-	-	-	-	-
At end of year	<u>886,251</u>	<u>-</u>	<u>175,076</u>	<u>275,926</u>	<u>1,337,253</u>
<b>NET BOOK VALUE</b>					
At end of year	<u>261,676</u>	<u>5,288</u>	<u>-</u>	<u>47,087</u>	<u>314,051</u>
At start of year	<u>269,974</u>	<u>5,288</u>	<u>-</u>	<u>60,331</u>	<u>335,593</u>

**13. DEBTORS**

	2018 £	2017 £
Arrears of Rent & Service Charges	255,350	244,256
Less: Provision for Doubtful Debts	<u>(55,169)</u>	<u>(62,173)</u>
	200,181	182,083
Other Debtors	133,482	131,482
Social Housing grant receivable	-	-
Prepayments and accrued income	-	-
	<u>333,663</u>	<u>313,565</u>

**REIDVALE HOUSING ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**  
**NOTES TO THE FINANCIAL STATEMENTS**

**14. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Housing Loans	-	-
Trade Payables	154,546	267,935
Rent in Advance	20,679	22,278
Social Housing Grant in advance	-	-
Other Taxation and Social Security	-	-
Other Payables	523,424	392,046
Liability for Past Service Contribution Arrangements	192,298	187,173
Accruals and Deferred Income	73,023	55,552
	<u>963,970</u>	<u>924,984</u>

**15. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Liability for Past Service Contribution Arrangements	<u>590,058</u>	<u>780,377</u>
	<u>590,058</u>	<u>780,377</u>

**16. STATEMENT OF CASH FLOWS**

Reconciliation of operating surplus to balance as at 31 March 2018	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Operating Surplus	304,797	229,401
Depreciation	893,913	881,078
Amortisation of Capital Grants	(611,612)	(610,340)
Change in debtors	(20,099)	(16)
Change in creditors	(283,124)	4,347
SHAPS Pension adjustment	(6,487)	28,168
Cancelled Shares	(27)	(42)
	<u>277,361</u>	<u>532,596</u>
Balance as at 31 March 2018	<u>277,361</u>	<u>532,596</u>

**REIDVALE HOUSING ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**  
**NOTES TO THE FINANCIAL STATEMENTS**

**17. DEFERRED INCOME**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Social Housing Grants</b>		
Balance as at 1 April 2017	19,093,494	19,897,262
Additions in year	-	-
Released as the result of property disposal	(129,812)	(193,428)
Amortisation in Year	(611,612)	(610,340)
	<u>18,352,070</u>	<u>19,093,494</u>

This is expected to be released to the Statement of Comprehensive Income as follows:

Amounts due within one year	611,612	610,340
Amounts due in one year or more	17,740,458	18,483,154
	<u>18,352,070</u>	<u>19,093,494</u>

**18. SHARE CAPITAL**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Shares of £1 each Issued and Fully Paid</b>		
At 1 April 2017	1,454	1,406
Issued in year	74	90
Cancelled in year	(27)	(42)
At 31 March 2018	<u>1,501</u>	<u>1,454</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends or distributions on a winding up. 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.

**19. HOUSING STOCK**

The number of units of accommodation in management at the year end was:-	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
General Needs - New Build	128	129
General Needs – Rehabilitation	725	728
Shared Ownership	-	-
Supported Housing	44	44
	<u>897</u>	<u>901</u>

**REIDVALE HOUSING ASSOCIATION  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
NOTES TO THE FINANCIAL STATEMENTS**

**20. RELATED PARTY TRANSACTIONS**

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 102. The related party relationships of the members of the Management Committee are summarised as:

- 11 Members are tenants of the Association
- 3 Members are factored owners
- Management Committee members cannot use their position to their advantage. Any transactions between the Association and any entity with which a Management Committee member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Management Committee members were as follows:

- Rent Received from Tenants on the Committee – £35,189.
- Factoring income received from Owner Occupiers in the Committee - £1,865.
- At the year-end total rent arrears owed by the tenant members of the Committee were – £2,808.
- At the year-end total rent arrears owed by Owner Occupiers of the Committee were - £Nil.

**21. DETAILS OF ASSOCIATION**

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

The Association's principal place of business is 13 Whitevale Street, Glasgow, G31 1QW.

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

**REIDVALE HOUSING ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**  
**NOTES TO THE FINANCIAL STATEMENTS**

**22. RETIREMENT BENEFIT OBLIGATIONS**

**SCHEME: TPT Retirement Solutions – Scottish Housing Associations’ Pension Scheme**

The company participates in the scheme, a multi-employer scheme which provides benefits to over 150 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2012. This actuarial valuation showed assets of £394m, liabilities of £698m and a deficit of £304m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

---

**From 1 April 2014 to 30 September 2027: £26,304,000 per annum (payable monthly, increasing by 3% each 1st April)**

---

A full actuarial valuation for the scheme was carried out at 30 September 2015. This actuarial valuation showed assets of £616m, liabilities of £814m and a deficit of £198m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

---

**From 1 April 2017 to 28 February 2022: £25,735,092 per annum (payable monthly, increasing by 3% each 1st April)**

---

From 1 April 2017 to 30 June 2025: £727,217 per annum (payable monthly, increasing by 3% each 1st April)

---

From 1 April 2017 to 31 October 2026: £1,239,033 per annum (payable monthly, increasing by 3% each 1st April)

---

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.



**REIDVALE HOUSING ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**  
**NOTES TO THE FINANCIAL STATEMENTS**

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 £748,000 (2017 - £929,000). This is 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 1.06%.

**Reconciliation of Opening and Closing Provisions**

	<b>Period Ending</b> 31 March 2018 (£000s)	<b>Period Ending</b> 31 March 2017 (£000s)
Provision at start of period	929	1,805
Unwinding of the discount factor (interest expense)	8	40
Deficit contribution paid	(183)	(153)
Remeasurements - impact of any change in assumptions	(6)	27
Remeasurements - amendments to the contribution schedule	-	(790)
Provision at end of period	748	929

**SCHEME: TPT Retirement Solutions – The Growth Plan**

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m.

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

<b>From 1 April 2013 to 31 March 2023:</b>	<b>£13.9m per annum</b> <b>(payable monthly and increasing by 3% each on 1st</b>
--	---

**REIDVALE HOUSING ASSOCIATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**  
**NOTES TO THE FINANCIAL STATEMENTS**

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

---

<b>From 1 April 2016 to 30 September 2025:</b>	<b>£12,945,440 per annum</b> <b>(payable monthly and increasing by 3% each on 1st April)</b>
--	---

---

From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)
---	---

---

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

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 £33,356 (2017 - £37,550). This is 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 1.06%

**Reconciliation of Opening and Closing Provisions**

	Period Ending 31 March 2018 £	Period Ending 31 March 2017 £
Provision at start of period	37,550	39,658
Unwinding of the discount factor (interest expense)	466	776
Deficit contribution paid	(4,173)	(4,052)
Remeasurements - impact of any change in assumptions	(487)	1,168
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	33,356	37,550

Included in the 2017 comparative figure is an amount for £750,342 which relates to a change in actuarial assumptions arising from the actuarial valuation in 2015. This resulted in a one-off credit which has not been repeated in the current year.

The Association made payments totalling £373,789 (2017: £340,437) to the pension scheme during the year.

**REIDVALE HOUSING ASSOCIATION  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
NOTES TO THE FINANCIAL STATEMENTS**

**23. CONTINGENT LIABILITIES**

The pension withdrawal debt as at 31 March 2018 for Reidvale Housing Association for the main scheme is £6,051,157 and £61,073 for the Growth Plan.