Registered Number
IP 22360R

CLWYD ALYN HOUSING ASSOCIATION LIMITED

Financial Statements

Year ended 31 March 2015

CLWYD ALYN HOUSING ASSOCIATION LIMITED

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CLWYD ALYN HOUSING ASSOCIATION LIMITED

INFORMATION

BOARD OF MANAGEMENT

Dr S Horrocks (Chair)
Mrs E Godden (Vice Chair)
Mr D Ifans
Mr D Holmes
Mrs J A Owen
Mrs L Diamond
Mr G M Jones
Mr H Martin
Mrs S Mogel
Mr P Lewis
Mr S Porter

CHIEF EXECUTIVE

Mr G Worthington

SECRETARY

Mr T Henderson

REGISTERED OFFICE

72 Ffordd William Morgan
St Asaph Business Park
St Asaph
Denbighshire
LL17 0JD

COOPERATIVE AND COMMUMITY BENEFIT SOCIETY REGISTRATION NUMBER

IP 22360R

NATIONAL ASSEMBLY REGISTRATION NUMBER

L051

AUDITORS

BDO LLP
5 Temple Square
Temple Street
Liverpool
L2 5RH

BANKERS

Barclays Bank PLC
PO Box 1015
3rd Floor
Windsor Court
Cardiff
CF10 3ZL

The Board of Management present their report and the financial statements for the year ended 31st March 2015.

REVIEW OF THE ASSOCIATION

The principal activity of the Association continues to be to provide good quality, well managed affordable homes and related services for people in need.

The surplus on ordinary activities for the year to March 2015 is £1.101m. There has been an increase in the interest payable, from £5.471m in 2014 to £5.708m in 2015 (an increase of £237k). The surplus on sale of properties has decreased by £757k, from £1.156m in 2014, to £399k in 2015.

The overall operating surplus increased by £750k to £6.342m principally due to the following factors:

a) **Income**

Income from lettings increased by £1.620m. This was as a result of a combination of increased stock, approved rental increases, reduced voids, and increases in grants. There was a small decrease of £18k in other turnover mainly due to lower rental income for non-social housing activities. There was also a decrease of £757k in surpluses on sale of properties and staircasing shared ownership sales.

b) **Expenditure**

i) Increase in operating costs of £852k. This increase is detailed below.

ii) This included an increase in routine maintenance costs of £29k, from £6.100m in 2014 to £6.129m in 2015. Major repairs expenditure has increased by £25k, from £518k in 2014 to £543k in 2015.

iii) Depreciation has increased in the period from £2.394m in 2014 to £2.524m in 2015. The increase is mainly due to the development of new properties. It also reflects the ongoing replacement of components, such as kitchens and bathrooms which depreciate at a higher amount than those replaced.

v) Services provided have increased, in particular due to growth in Care & Support, from £11.723m in 2014, to £12.328m in 2015 an increase of £605k. This includes the full year of the new Extra Care scheme and additional schemes completed in the year.

vi) The bad debts charge decreased by £85k.

vii) Overall Management costs increased by £159k, from £3.793m in 2014 to £3.952m in 2015. The main reason for the increase is as a result of the increased charges from Pennaf Limited for legal and professional fees in securing new funding, IT investment and staff training.

FIXED ASSETS AND FUTURE DEVELOPMENTS

Details of changes to fixed assets are given in the financial statements. The Association continues to have an active development programme, with a 2015/16 programme of approximately £16.6m.

DONATIONS

The Association made charitable donations of £3k (2014 £2k).

EQUAL OPPORTUNITIES

The Association has a policy on equal opportunities and is committed to this principle in all aspects of its work. Training, career development, promotion opportunities and annual appraisals are available to all employees. Applications for employment from disabled persons are given full and fair consideration for all vacancies, having regard to their particular aptitude and abilities. Should an employee become disabled, every effort is made to retain them in employment with the organisation.

EMPLOYEE INVOLVEMENT

During the year, the Group once again gained an Investors in People Gold award. This reflects the Group's commitment to maintaining the involvement of employees in its operations. Staff are informed on matters affecting them and on the progress of the Group through negotiations and consultation with staff representatives, and through formal and informal briefings.

BOARD OF MANAGEMENT

The members set out below have held office during the whole of the period from 1 April 2014 to the date of this report unless otherwise stated.

Chair

Dr S Horrocks

Serving Board Members

Dr S Horrocks	(Appointed Chair 30 July 2014)
Mrs E Godden	(Appointed Vice-Chair 30 July 2014)
Mr D Holmes	
Dr B Owen	(Resigned 4 June 2014)
Mrs J A Owen	
Mrs L Diamond	
Mr G M Jones	
Mr Ian Bellingham	(Resigned 19 November 2014)
Mr D Ifans	
Mr H Martin	(Appointed 6 June 2014)
Mr J Spencer	(Appointed 6 June 2014 / Resigned 24 December 2014)
Mrs S Mogel	(Appointed 4 March 2015)
Mr P Lewis	(Co-opted 4 March 2015)
Mr S Porter	(Co-opted 25 March 2015)

The following were the Pennaf appointees on the Board

Mrs J A Owen
Mr D Holmes
Mr G M Jones
Mrs E Godden

INSURANCE

Insurance policies are maintained for the Board members and the executive directors of the Association against liabilities in relation to the Association.

CORPORATE GOVERNANCE

The Board consists of 11 non-executive members and governs and monitors the business of the Association.

The Board includes members with a wide range of expertise and skills. The Board meets bi-monthly to consider the formal business of the Association.

The day to day management of the Association is delegated via a scheme of delegation to the Group Chief Executive. The Group Chief Executive and the Group Directors form a Management Team that meets fortnightly.

The Group Audit Committee met four times during the year to consider systems audits and specific reviews as well as external audits.

EXECUTIVE DIRECTORS

The group executive directors of the Association were:

Graham Worthington	(Group Chief Executive)
Trevor Henderson	(Deputy Chief Executive)

The group executive directors hold no interest in the Association's share capital. They act as executives within the authority delegated by the Board.

BOARD MEMBERS' RESPONSIBILITIES

The board members are responsible for preparing the report of the board of management and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Societies law and social housing legislation require the board members to prepare the group and association financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) which give a true and fair view of the state of affairs of the association and of the surplus or deficit of the group and association for that period.

In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers (Update 2010) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, Schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2009. They are also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board is responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers (Update 2010).

INTERNAL FINANCIAL CONTROL

Each Board within the Group bears responsibility for ensuring that the organisation operates a secure control environment. The controls serve to give reasonable assurance with regard to:

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

The Board is responsible for establishing and maintaining systems of internal financial control. Such systems can not provide categorical assurance against material financial misstatements or loss, but can be expected to provide reasonable assurance.

Key elements in ensuring a secure environment include:

- the presence of formal policies and procedures
- clear delegation of authority
- a suitable level of experienced and suitable qualified staff
- proper performance appraisal
- the preparation and monitoring of forecasts and budgets
- suitable authorisation of major commitments which might put the Association at risk
- a robust and independent internal audit service, reporting appropriately to members, with suitable follow up mechanisms in place.

The Group Audit Committee has reviewed the effectiveness of the system of internal control in the Group for the year ended 31 March 2015. No weaknesses were found in internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements, and the Board are not aware of any such weaknesses from 1 April 2014 to date.

GOING CONCERN

Under the governance requirements, the Board confirms that after making enquiries they have reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the accounts.

DISCLOSURE OF INFORMATION TO AUDITOR

In the case of each of the persons who are Board members of the Society at the date when this report was approved:

- so far as each of the Board members are aware, there is no relevant audit information (as defined in the Co-operative and Community Benefit Societies Act 2014) of which the Society's auditors are unaware; and
- each of the Board members has taken all the steps that they ought to have taken as a director to make them aware of any relevant audit information (as defined) and to establish that the Society's auditors are aware of that information.

AUDITOR

BDO LLP continue in office in accordance with the Co-operative and Community Benefit Societies Act 2014.

BY ORDER OF THE BOARD

Approved by the Board of Management on 7th July 2015 and signed on its behalf by

T Henderson - Company Secretary

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF CLWYD ALYN HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Clwyd Alyn Housing Association Limited for the year ended 31 March 2015 which comprise the income and expenditure account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the association's members, as a body, in accordance with the Housing and Regeneration Act 2008 and Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the board members and auditor

As explained more fully in the statement of board member responsibilities, the board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2015 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 prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2009.

Opinion on other matters prescribed by the Housing association circular RSL 02/10: Internal controls and reporting

With respect to the directors' statement on internal financial controls on page 4, in our opinion:

- the directors have provided the disclosures required by the Housing association circular RSL 02/10: Internal controls and reporting; and
- the directors' statement is not inconsistent with the information of which we are aware from our audit work on the financial statements.

INDEPENDENT AUDIT'S REPORT TO THE MEMBERS OF CLWYD ALYN HOUSING ASSOCIATION LIMITED

We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- adequate accounting records have not been kept by the parent association, or returns adequate for our audit have not been received from branches not visited by us; or
- a satisfactory system of control has not been maintained over transactions; or
- the parent association financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

BDO LLP, statutory auditor
Liverpool
United Kingdom

Date: 20/7/2015.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CLWYD ALYN HOUSING ASSOCIATION LIMITED

INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2015

	Notes	2015 £'000	2014 £'000
TURNOVER	2	**32,260**	30,658
Operating costs	2	**(25,918)**	(25,066)
OPERATING SURPLUS	2	**6,342**	5,592
Surplus on sale of properties	4	**399**	1,156
Interest receivable and similar income		**28**	3
Interest payable and similar charges	5	**(5,708)**	(5,471)
Gift Aid receipt		**40**	147
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		**1,101**	1,427
Taxation on surplus on ordinary activities	6	**-**	-
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION	19	**1,101**	1,427

The Association's turnover and expenses all relate to continuing operations.

There are no other recognised gains or losses other than the surplus for the year.

CLWYD ALYN HOUSING ASSOCIATION LIMITED

BALANCE SHEET
At 31 March 2015

Registered Number IP 22360R

	Notes		2015 £'000		2014 £'000
FIXED ASSETS					
Tangible assets					
Housing properties - Depreciated cost	10		**342,345**		332,731
- SHG and other grants	10		**(194,716)**		(190,864)
			147,629		141,867
Other tangible fixed assets	11		**2,972**		3,050
Fixed asset investments:					
Homebuy loan	12	**2,619**		2,681	
Homebuy grant	12	**(2,619)**		(2,681)	
			-		-
			150,601		144,917
CURRENT ASSETS					
Stocks	13		**-**		-
Debtors: amounts due after one year	14		**509**		517
Debtors: amounts due within one year	14		**2,977**		4,538
Investments	15		**65**		65
Cash at bank and in hand			**4,964**		4,298
			8,515		9,418
CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)	16		**(8,442)**		(7,987)
NET CURRENT ASSETS			**73**		1,431
TOTAL ASSETS LESS CURRENT LIABILITIES			**150,674**		146,348
CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)	17		**(137,901)**		(134,677)
			12,773		11,671
CAPITAL AND RESERVES					
Share capital	18		**-**		-
Accumulated reserves	19		**12,773**		11,671
			12,773		11,671

The financial statements on pages 8 to 22 were approved by the Board of Management on 7th July 2015 and were signed on its behalf by:

Dr S Horrocks - Chair

T Henderson - Secretary

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Applicable Accounting Standards in the United Kingdom and in accordance with the Cooperative and Community Benefit Societies Act 2014, the Accounting Requirements for Registered Social Landlords (General Determination) Wales 2009, and the 2010 Statement of Recommended Practice, "Accounting by Registered Social Housing Providers" issued by the National Housing Federation.

(a) Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Turnover

Turnover represents rents and revenue grants receivable in respect of tenanted properties, amounts invoiced in respect of the provision of services and other sundry income.

(c) Social Housing Grant (SHG) and other grants

Grants for capital expenditure are deducted from the cost of the fixed assets to which they relate as they become receivable. SHG is repayable under certain circumstances, primarily following sale of a property but will normally be restricted to net proceeds of sale. When a property is sold the SHG is held in the Disposal Proceeds Fund, in long term creditors, this can be recycled when a suitable new development scheme that is eligible for SHG is constructed.

Grants for revenue expenditure are credited to the income and expenditure account as they become receivable.

(d) Fixed asset investments - Homebuy loans

Under the Homebuy Option the Association advances 30% of the value or cost of the property to a purchaser. The advance is secured by a second charge on the property. This loan is financed in full by SHG from the Welsh Government.

When a property is sold 30% of the sales proceeds or the loan (whichever is lower) are recovered and the equivalent grant repaid.

(e) Current asset investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Investments held as current assets are stated at the lower of cost and net realisable value.

(f) Operating leases

Rental payable under operating leases are charged on a straight-line basis over the term of the lease.

(g) Shared ownership sales – first tranche

Proceeds from first tranche disposals of shared ownership properties are accounted for in turnover in the income and expenditure account of the period in which the disposal occurs. Cost of sales includes the incidental costs of executing the sale, marketing costs and the proportion of the overall costs of the property derived from the percentage sold under the first tranche.

(h) Interest and finance charges

Interest charges incurred on the financing of housing properties are capitalised up to the date of practical completion. Interest charges arising after that date are charged to the income and expenditure account.

Costs directly connected with the raising of finance are deducted from the loan and written off evenly over the life of the loan in the income and expenditure account.

Interest on low-start finance is charged at a constant percentage of the remaining balance of the capital sum outstanding to the extent that the total interest charges over the term of the loan are known. Where interest charges are dependent on external factors beyond the Association's control, they are charged as they become payable.

1 ACCOUNTING POLICIES (Continued)

(i) Pension costs

The association participates in the Social Housing Pension Scheme, a multi-employer defined benefit final salary pension scheme managed by the Pension Trust. It has not been possible to identify the share of underlying assets and liabilities belonging to individual participating employers. The income and expenditure charge represents the employer contribution payable to the scheme for the accounting period. The association also operates a defined contribution pension scheme and the charge represents the amount payable by the association to the fund for the year. Contributions payable to the pension scheme are charged to the income and expenditure account so as to spread the cost of pension over the service lives of employees in the scheme. The pension charge is calculated on the basis of actuarial advice.

(j) Stocks

Stocks represent tools and equipment held for the direct labour repair department.

(k) Depreciation and impairment

Depreciation is calculated to write off the cost less estimated residual value of fixed assets on a straight line basis over their estimated useful lives.

Freehold land is not depreciated. Depreciation is charged so as to write down the cost of freehold housing properties other than freehold land to their estimated residual value on a straight line basis over their expected useful economic lives as follows:

Housing properties:	
General needs - homes	125 years
General needs - flats	125 years
Sheltered housing	125 years

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the properties to which they relate, if shorter, at the following annual rates:

Roofs	75 years
Kitchens – general needs	25 years
Kitchens – supported needs	10 years
Kitchens – hostels & homeless	6 years
Bathrooms – general needs	25 years
Bathrooms – supported needs	15 years
Bathrooms – hostels & homeless	8 years
Doors – general needs / supported needs	25 years
Doors – hostels & homeless	20 years
Windows – general needs / supported needs	30 years
Windows – hostels & homeless	25 years
Fire Systems – general needs / supported needs	20 years
Fire Systems – hostels & homeless	10 years
Solar Panels	25 years

The Association has an active asset management strategy whereby all units with voids over six weeks are reviewed. Impairment reviews have been undertaken on schemes where voids are known to be particularly high over a sustained period of time.

Non housing properties:	
Offices	50 years
Fixtures and fittings	10 years
Computer equipment & software	3 years
Vehicles	3 years

1 ACCOUNTING POLICIES (Continued)

(l) Works to existing properties

Expenditure on housing properties which results in an enhancement of the economic benefits of the property, whether by increased rental streams or reduced future maintenance costs is capitalised.

(m) Capitalisation of administration costs

Property costs include its purchase price and any costs directly attributable to bringing it into working condition for its intended use. The directly attributable costs include the labour costs of the Association's own employees which arise directly from the construction or acquisition of the property, along with the incremental costs which would have been avoided if the property had not been constructed or acquired.

(n) Taxation

The Association was registered as a charitable housing association from 5 June 2003 and is exempt from registration with the Charity Commissioners.

(o) Cash flow statement

The Association is 100% owned by Pennaf Limited, the consolidated financial statements of which are available at Pennaf Limited's principal place of business. The cash flows of the Association are included in the consolidated cash flow statement of Pennaf Limited and consequently the Association is exempt from publishing a cash flow statement as permitted by Financial Reporting Standard No 1 (revised).

(p) Related party transactions

The Association, as a wholly owned subsidiary of Pennaf Limited, has taken advantage of the exemption within FRS 8 from the requirement to disclose related party transactions with group members.

(q) Deferred taxation

No provision has been made for deferred taxation as the board does not consider any material liability or asset will arise as a result of timing differences.

2 TURNOVER, OPERATING SURPLUS AND SURPLUS BEFORE TAXATION

	2015			2014		
	Turnover £'000	**Operating costs £'000**	**Operating surplus £'000**	Turnover £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings (Note 3)	**31,425**	**(25,692)**	**5,733**	29,805	(24,829)	4,976
Other social housing activities						
Sales and marketing	**16**	**-**	**16**	17	-	17
Development overheads written off	**-**	**(79)**	**(79)**	-	(67)	(67)
Other	**565**	**(35)**	**530**	545	-	545
Non-social housing activities						
Lettings	**253**	**(111)**	**142**	286	(165)	121
Other – Big Lottery Grant	**1**	**(1)**	**-**	5	(5)	-
Total	**32,260**	**(25,918)**	**6,342**	30,658	(25,066)	5,592

3 INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	General needs and sheltered housing £'000	Supported housing £'000	Other social housing letting income £'000	2015 Total £'000	2014 Total £'000
Income					
Rents receivable	**18,511**	**825**	**1,293**	**20,629**	19,658
Service charges receivable	**2,817**	**1,371**	**3,029**	**7,217**	6,618
Income for support services	**62**	**2,933**	**545**	**3,540**	3,509
Other income from lettings	**25**	**9**	**5**	**39**	20
Turnover from social housing lettings	**21,415**	**5,138**	**4,872**	**31,425**	29,805
Cost					
Management costs	**2,713**	**477**	**762**	**3,952**	3,793
Service costs	**4,837**	**4,044**	**3,447**	**12,328**	11,723
Routine maintenance	**5,552**	**230**	**347**	**6,129**	6,100
Major repairs expenditure	**543**	**-**	**-**	**543**	518
Bad debts	**123**	**41**	**52**	**216**	301
Depreciation of housing properties	**2,328**	**29**	**167**	**2,524**	2,394
Operating costs on social housing activities	**16,096**	**4,821**	**4,775**	**25,692**	24,829
Operating surplus on social housing lettings	**5,319**	**317**	**97**	**5,733**	4,976
Rent loss due to voids	**263**	**27**	**9**	**299**	259
Service charge loss due to voids (memorandum note)	**99**	**55**	**143**	**297**	388

4 SALES OF PROPERTIES

	Shared Ownership Further Tranches £'000	RTB & Others £'000	Total 2015 £'000	Total 2014 £'000
Proceeds of sales	847	544	1,391	2,437
Cost of sales: NBV	(278)	(714)	(992)	(1,281)
Surplus	569	(170)	399	1,156

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £'000	2014 £'000
Bank loans, overdrafts and other loans repayable in more than five years:		
- by instalments	5,691	5,495
- other than by instalments	172	172
	5,863	5,667
Less: Capitalised	(155)	(196)
	5,708	5,471

The sum for capitalised interest relates to loans which are LIBOR based and include both fixed and variable rate loans. The interest rate is therefore variable throughout the year. The average rate for the period was 4.31% (2014 4.39%).

6 TAXATION

From 5 June 2003 the Association was registered as a charitable entity and therefore does not pay Corporation Tax from that date, with the exception of income generated from the recently installed solar panels.

	2015 £'000	2014 £'000
Factors affecting the tax charge for the year:		
Surplus for the year before taxation	1,176	1,427
Tax payable at 21% (2014 23%)	247	328
Effects of:		
Fixed asset differences	463	276
Expenses not deductible for tax purposes	6,065	6,420
Income not taxable for tax purposes	(6,775)	(6,987)
Capital allowances in excess of depreciation	-	(37)
Current tax charge for the period	-	-

No provision for deferred taxation is required.

7 AUDITOR REMUNERATION

	2015 £'000	2014 £'000
In their capacity as auditor	17	16
In respect of other services	5	13

8 STAFF COSTS

	2015 £'000	2014 £'000
Staff costs including directors:		
Wages and salaries	6,562	5,956
Social security costs	418	424
Other pension costs	557	553
	7,537	6,933

Average number of full time equivalent persons (including executive directors) employed during the year:

	Number	Number
Office staff	24	21
Housing staff	32	27
Care staff	305	301
Maintenance	4	4
Total employees	365	353

9 OFFICERS AND SENIOR EXECUTIVES EMOLUMENTS

	2015 £'000	2014 £'000
Emoluments including pension contributions	74	73

None of the members of the Board of Management receive any remuneration.

Emoluments of highest paid director excluding pension contributions	60	59

10 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Housing properties held for lettings £'000	Housing properties in the course of construction £'000	Completed shared ownership housing properties £'000	Shared ownership housing properties under construction £'000	Total £'000
COST					
At 1 April 2014	307,856	22,837	23,501	-	354,194
Additions – components	2,245	-	-	-	2,245
Additions	-	10,575	310	-	10,885
Disposals components	(538)	-	-	-	(538)
Disposals - other	(749)	-	(310)	-	(1,059)
Schemes completed	8,626	(8,626)	-	-	-
At 31 March 2015	317,440	24,786	23,501	-	365,727
SOCIAL HOUSING ASSOCIATION AND OTHER GRANTS					
At 1 April 2014	165,286	12,360	13,218	-	190,864
Received during year	-	4,152	-	-	4,152
Disposals - other	(144)	-	(156)	-	(300)
Schemes completed	4,337	(4,337)	-	-	-
At 31 March 2015	169,479	12,175	13,062	-	194,716
DEPRECIATION					
At 1 April 2014	20,593	-	870	-	21,463
Charge for the year	2,457	-	67	-	2,524
Disposals	(574)	-	(31)	-	(605)
At 31 March 2015	22,476	-	906	-	23,382
NET BOOK VALUE					
At 31 March 2015	**125,485**	**12,611**	**9,533**	**-**	**147,629**
At 31 March 2014	121,977	10,477	9,413	-	141,867

All housing properties are freehold.

Maintenance expenditure of £2,245k was capitalised to existing properties in the year (2014 £1,921k). Total maintenance expenditure to existing properties of £6,672k, (2014 £6,618k) was charged to the Income and Expenditure account in the year.

Interest charges incurred on the financing of housing properties are capitalised up to the date of practical completion. The total interest and finance charges included in housing properties at cost amounted to £2,452k (2014 £2,297k).

11 TANGIBLE FIXED ASSETS - OTHER

	Freehold offices £'000	Fixtures and fittings £'000	Computer equipment and software £'000	Vehicles £'000	Total £'000
COST					
At 1 April 2014	3,545	218	698	24	4,485
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2015	3,545	218	698	24	4,485
DEPRECIATION					
At 1 April 2014	522	196	697	20	1,435
Charge for year	70	3	1	4	78
Disposals	-	-	-	-	-
At 31 March 2015	592	199	698	24	1,513
NET BOOK VALUE					
At 31 March 2015	**2,953**	**19**	**0**	**0**	**2,972**
At 31 March 2014	3,023	22	1	4	3,050

12 FIXED ASSET INVESTMENTS - HOMEBUY LOANS

	2015 £'000	2014 £'000
COST		
At 1 April 2014 / 2013	**2,681**	2,695
Additions in year	**-**	-
Disposals	**(62)**	(14)
At 31 March 2015 / 2014	**2,619**	2,681
SOCIAL HOUSING GRANT		
At 1 April 2014 / 2013	**2,681**	2,695
Additions in year	**-**	-
Disposals	**(62)**	(14)
At 31 March 2015 / 2014	**2,619**	2,681
NET BOOK VALUE		
At 31 March 2015	**-**	-
At 31 March 2014	**-**	-

13 STOCKS

	2015 £'000	2014 £'000
Stocks of tools & equipment	-	-

14 DEBTORS

	2015 £'000	2014 £'000
Amounts falling due after one year:		
Grants receivable	**509**	517
Amounts falling due within one year:		
Rental debtors	**1,524**	1,435
Less: provision for bad debts	**(363)**	(319)
Sundry debtors less provision	**776**	385
	1,937	1,501
Loans receivable	-	1,176
Grants receivable	**8**	8
Trade debtors	-	25
Loans to employees	**9**	5
Amount due from subsidiary undertakings	**5**	-
Amount due from parent undertaking	**151**	1,252
Prepayments and accrued income	**867**	571
	2,977	4,538

15 INVESTMENTS

	2015 £'000	2014 £'000
Money market and term deposits	**65**	65

Included above are deposits as security for certain loans of £65k (2013 £65k).

16 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	2015 £'000	2014 £'000
Housing loans	**1,227**	1,099
Bank overdraft	-	-
Trade creditors	**1,237**	1,070
Rent received in advance	**450**	398
Amounts due to parent undertaking	-	-
Amounts due to group undertakings	**1,346**	1,173
Other taxation and social security costs	**208**	206
Pensions payable	**78**	68
Accruals and deferred income	**2,191**	2,233
Fund held in trust	**1,705**	1,740
	8,442	7,987

17 CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)

	2015 £'000	2014 £'000
Housing loans	**135,995**	133,171
Disposal Proceeds Fund	**1,906**	1,506
	137,901	134,677
Amounts repayable by instalments:		
Not wholly repayable within five years:		
Repayable between one and two years	**2,449**	1,155
Repayable within five years	**7,523**	7,324
Repayable after five years	**119,087**	117,692
	129,059	126,171
Amounts repayable otherwise than by instalments:		
Repayable after five years	**6,936**	7,000
	135,995	133,171
Disposal Proceeds Fund		
Disposal Proceeds Fund at 1 April 2014	**1,506**	756
Received in the year	**400**	850
Recycled in the year	**-**	(100)
	1,906	1,506

Housing loans are secured by specific charges on the Association's housing properties and bear interest at rates ranging from 0.77% to 11.08%.

Non housing loans are secured on the housing and office properties of the Association or the assets to which they relate. Interest is charged at commercial rates.

18 SHARE CAPITAL

	2015 £	2014 £
At 1 April 2014	**105**	105
Issued during the year	**3**	3
Cancelled during the year	**(9)**	(3)
At 31 March 2015	**99**	105

Each member of the Board of Management holds one share of £1 in the Association.

19 RESERVES

	Restricted £'000	Accumulated £'000	Total £'000
At 1 April 2013	-	10,244	10,244
Surplus for the year 2013/14	-	1,427	1,427
At 1 April 2014	-	11,671	11,671
Surplus for the year 2014/15	-	1,101	1,101
Big Lottery Grant	1	-	1
At 31 March 2015	**1**	**12,772**	**12,773**

20 CAPITAL COMMITMENTS

	2015 £'000	2014 £'000
Capital expenditure contracted for but not provided for in the financial statements	**7,632**	4,548
Capital expenditure authorised but not yet contracted for in the financial statements	**12,243**	33,468

The capital expenditure is to be financed by a combination of grants and loans.

21 OTHER FINANCIAL COMMITMENTS

At 31 March 2015 the Association was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2016.

	Plant and equipment 2015 £'000	2014 £'000
Operating leases which expire:		
Within 1 year	-	4
Within 2 to 5 years	**26**	19

22 PENSION OBLIGATIONS

1. Clwyd Alyn Housing Association Limited participates in the Social Housing Pension Scheme (the Scheme). The Scheme is funded and is contracted-out of the State Pension scheme.

2. It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

22 PENSION OBLIGATIONS (Continued)

3. The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

4. The last formal valuation of the Scheme was performed as at 30 September 2011 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £2,062 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,035 million, equivalent to a past service funding level of 67%

5. The Scheme Actuary is currently finalising the 2014 valuation but key provisional results have been confirmed. As at 30 September 2014, the market value of the Scheme's assets was £3,123 million. There was a shortfall of assets compared with the value of liabilities of £1,323 million, equivalent to a past service funding level of 70%.

6. The Association is expected to make pension contributions of £637,000 in the year to 31st March 2016.

23 ACCOMMMODATION IN MANAGEMENT

	2015 Number	2014 Number
General needs and other rented	**3,837**	3,765
Sheltered & Extra Care	**549**	549
Supported Housing	**198**	197
Low cost home ownership	**607**	620
Residential Homes	**104**	104
Managed on behalf of others	**43**	109
Homebuy & D.I.Y.H.O	**186**	190
Intermediate rental	**58**	39
	5,582	5,573

24 LEGISLATIVE PROVISIONS

The Association is incorporated under the Cooperative and Community Benefit Societies Act 2014 and is a subsidiary of Pennaf Limited as a result of the dominant influence of that Company.

25 CONTINGENT LIABILITIES

1. A contingent liability originated from the transfer of two properties, at original cost, from Ty Glas Housing Society Limited to Clwyd Alyn Housing Association Limited on 5 December 2003. The maximum potential liability of £197k is the difference between the market value and original cost.

2. During the previous financial year there has been correspondence with HMRC with reference to the taxable status of income generated by solar panels owned by the company. At present a response is awaited and the company has obtained advice that a reasonable position has been taken. In the event that there was an adverse finding then tax would become payable of £268k (2014 £185k) and would be treated as a prior year tax charge.

26 POST BALANCE SHEET EVENT

Clwyd Alyn has completed the sale of 177 units to fellow subsidiary, Ty Glas Housing Society Limited, funded by a lease and leaseback arrangement with Aviva PLC in April 2015.