

Registered number: 24640R

**ST PETER'S (SALTLEY) HOUSING
ASSOCIATION LIMITED**

Financial statements

Year ended 31 March 2015

ST PETER'S (SALTLEY) HOUSING ASSOCIATION LIMITED

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ST PETER'S (SALTLEY) HOUSING ASSOCIATION LIMITED

INFORMATION

BOARD OF MANAGEMENT

Maureen Bradley (Chair)
Jack Butcher (Vice Chair)
Kenneth Jackson
Angela Maynard
Phil Knight
Cheryl Garvey
Robert Semple

CHIEF EXECUTIVE

Martyn Hale (resigned 8 May 2014)
Helen Harvey (appointed 30 July 2014)

REGISTERED OFFICE

Burrows Hall
Bridge Road
Saltley
Birmingham
B8 3TE

HOMES AND COMMUNITIES AGENCY

L3519

**REGISTERED SOCIETY NUMBER
(under charity rules)**

24640R

AUDITORS

Mazars LLP
45 Church Street
Birmingham
B3 2RT

BANKERS

Barclays Bank PLC
Small Heath Branch
534 Coventry Road
Small Heath
Birmingham
B10 0UP

BOARD REPORT

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

REVIEW OF THE ASSOCIATION

The principal activity of the Association is to provide good quality, affordable, rented homes for people in housing need. The Association owns and manages 105 units. There are 99 flats on the St Peter's site, including 44 flats for the over 55s, and 6 houses nearby.

Support services are provided for tenants who need these services.

The Association continues to identify and pursue opportunities for development both in services and additional accommodation.

This year the Association has reported an operating surplus of £164,711 compared to an operating surplus of £47,743 in the previous year. The increase is mainly due to additional income for management fees from assigned leases together with a reduction in costs across all of the housing management, property repairs and service categories primarily as a result of reduced staffing costs. In addition, some planned work scheduled for the year was delayed and not completed during the year.

THE BOARD OF MANAGEMENT

The members, who are non-executive directors, 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.

James Bennett (resigned 15 June 2015)

Sharon Billingham (co-opted 19 May 2014, appointed 15 September 2014 and resigned 10 April 2015)

Maureen Bradley (Chair)

Jack Butcher (Vice Chair)

Philip Cotterill (resigned 15 September 2014)

Cheryl Garvey (co-opted 18 November 2014)

Kenneth Jackson

Phil Knight (appointed 15 September 2014)

Angela Maynard

Robert Semple (co-opted 18 November 2014)

BOARD OF MANAGEMENT AND STAFF

The Board of Management, which is responsible for the management of the Association's affairs, comprises no more than twelve members up to four of whom can be tenants of the Association. The Board Members, who are unpaid, are drawn from a wide background bringing together professional, commercial and local experience. The Board meets at least four times a year as does the Executive Sub-Committee which reports to the Board on day to day management.

The Board obtains external specialist advice from time to time as necessary.

The staff team comprises the Chief Executive, Housing Services Manager, Book-keeper, Property Maintenance Supervisor, Housing Services Officer, Estate Maintenance Assistant and an Administrator. The Board delegates day to day management and implementation of its strategies and policies to the Chief Executive who attends Board Meetings. Other staff are invited to attend meetings as and when necessary.

VALUE FOR MONEY

The last year has been a period of significant change for St Peter's. A new chief executive was appointed at the end of July with an immediate brief to assess and prioritise asset management activity to ensure that priority asset renewals were carried out. A significant amount of work has been done to achieve more in terms of service delivery, effectiveness and efficiency for the same cost.

A review of sheltered accommodation was also carried out in response to the loss of Supporting People income. This service has been revised and extended to tenants needing support across all of St Peter's accommodation and these costs have been absorbed into St Peter's existing income and expenditure.

St Peter's also began leasing a number of properties and appointed a support provider via management agreement to provide housing management and support services at these properties. We have been able to increase our income by

BOARD REPORT

approx. 7.5% as a result of this and manage the contract within existing resources. The additional income has helped support planned improvements and additional items required such as a mobility scooter store.

Board Members received risk management training and carried out a thorough risk review to identify key strategic and operational risks. These risks and any mitigating actions identified drove the annual planning process and the Annual Plan for 2015.16 reflects the risks and actions identified and includes a suite of key qualitative and quantitative performance indicators that will help St Peter's identify whether it is delivering value for money and ensures key risks are being actively managed. The budget for 2015.16 was set based on the priorities in the Annual Plan.

During the year a number of contracts and service arrangements were reviewed which has resulted in the re-appointment of Mazars as our external auditors and the appointment of a new external financial support service. An immediate priority for the new financial service is to support the development of financial reporting to support value for money assessment from a cost perspective,

Towards the end of the year Board approved a new governance review. This has been carried out from April to August 2015 and has resulted in the Board approving the adoption of the NHF Code of Governance. Key actions identified as part of the review were to reduce the size of the board, address the nine-year rule, identify key skills for board renewal, set up a tenant-led scrutiny panel and set up an audit & governance committee to provide an increased focus on audit, governance, risk and compliance. A recruitment exercise concludes in September and St Peter's is on target to meet full compliance with the Code of Governance by the year end. A governance and compliance improvement plan is also now in place and is monitored quarterly. This review and the additional compliance activity that is now in place is again being achieved within existing resource. This new Board will immediately enter into a strategic review that will look at the future direction of St Peter's taking into account the external pressures we face and the challenges of managing a listed building.

Finally our value for money strategy was completely reviewed and a new strategy developed which aims to:

- Achieve high quality services for our tenants at the best possible price;
- Where appropriate, redirecting resources to services delivering an impact on customers;
- Ensure that VFM activity supports St Peter's values and the delivery of key priorities;
- Integrate VFM principles within St Peter's business planning and service development activities;
- Embed a culture of VFM within the organisation, so that it becomes 'part of the day job' for all;
- Involve residents in achieving the aims of this strategy;
- Secure informed and active commitment from Board Members in achievement of VFM;
- Provide a framework for the St Peter's to contribute to the Government's efficiency agenda.

To support these aims our objectives are to:

- Achieve a balance of cost and quality – recognising the importance of quality of service within VFM and that the lowest cost is not necessarily the best.
- Embed and integrate VFM principles within existing management, planning and review processes to achieve a culture of continuous improvement
- Ensure we are maximising our assets
- Continuously improve by keeping VFM under regular review and seek continuous improvement in the VFM delivered to tenants and stakeholders.
- Involve tenants in VFM service decisions wherever possible.
- Undertake VFM reviews on areas of activity identified as worthy of review
- Benchmark our activities against other similar activities and organisations where this is considered useful
- Respond to opportunities to enhance the economy, efficiency and effectiveness of activities
- Ensure that all staff recognise their continuing obligation to seek VFM for St Peter's as part of their routine activities.

BOARD REPORT

The Corporate Plan resulting from the strategic review, and resulting Annual Plans, will draw on key areas already identified through information gathering, best practice, tenant consultation and internal discussion. It will aim to ensure that St Peter's continues to have a clear risk-based framework of information and monitoring to guide resource allocation, improvement plans and decision making over the life of this strategy.

The key ways we will monitor value for money as part of this will be:-

Performance management system

Financial and KPI performance will be monitored and discussed regularly with staff at team meetings and with the Board.

The Board will consider an overview report looking at the full range of performance data i.e. consultation/satisfaction surveys, performance indicators, complaints, etc. This will facilitate a focus on any areas which might be underperforming from a range of perspectives and properly allows corrective action to be introduced as appropriate.

Benchmarking and business intelligence

Benchmarking is an essential tool in measuring, monitoring and reviewing both internal and external costs and a key driver in assisting us achieve our aims. Rather than answering questions about costs, it prompts us to ask questions about where we are spending our money, as one tool to establish robust business intelligence about our operations.

St Peter's is committed to using benchmark data to compare itself against other similar organisations. St Peter's costs are benchmarked in terms of costs and key performance indicators (KPIs) with other similar organisations to ensure that the services provided are delivered in an efficient and effective way whilst delivering a high quality standard of service.

In looking at costs, we will analyse the cost drivers within our overall service costs. We especially focus on our overheads, looking to build our knowledge of where these can be reduced and thereby re-directing resources to direct service delivery.

In addition to benchmarking, we will take other measures to achieve better business intelligence about where we are spending money. Initially we will focus on property services. This will include for example:

- Greater knowledge about the patterns of demand for the responsive repairs service
- Analysis of variances in the cost of void and responsive repairs, to understand more about underlying cost drivers.

We will ensure that business intelligence data including benchmarking is integral to our approach to service review and improvement.

Budget setting and control

We will take a zero based approach to budget setting which will establish stronger links between allocation of financial resources and business priorities.

This approach will provide significantly more clarity in establishing the costs of delivery for services to make a clearer link between the cost of delivery and the performance achieved. High cost/low output service areas can be clearly identified to better focus process and service reviews.

Evidencing VFM

As a means of monitoring our overall progress towards achieving VFM we will establish an effective system of capturing evidence via a log of ongoing VFM gains. This will include gathering feedback from tenants in a range of ways to measure the impact of actions we take.

BOARD REPORT

On an annual basis the Board will receive a report, informed by this log, on delivery against the VFM strategy and supporting action plan to enable it to formulate an annual VFM statement that is a transparent assessment which enables stakeholders to understand return on assets, sets out our costs and provides evidence of value for money gains.

St Peter's has work to do in putting in place an effective monitoring and reporting system to support this new value for money strategy and work has started on this to ensure that good quality information is available to the Board when it carries out the strategic review later this year.

INTERNAL CONTROLS ASSURANCE

There is no regulatory requirement for the Board to publish a statement on internal controls assurance but it has decided to do so.

The Board acknowledges its responsibility for the system of internal controls and for reviewing its effectiveness mindful of the objectives of, and risks facing, the Association.

The Board confirms that there are ongoing processes for maintaining sound systems of internal control and for managing risks. During the year 2013/14, the Association engaged Mazars LLP to conduct a high level controls review. The review concluded that all of the controls were operating effectively and made some minor recommendations regarding risk management strategy and some house keeping regarding the review of the Standing Orders and some Housing Management Policies. All of the recommendations have been implemented. The Standing Orders and Housing Management Policies were further reviewed during the current year, together with a thorough review of the Risk Register and its associated controls.

BOARD MEMBERS' RESPONSIBILITIES

Registered Social Housing Provider legislation requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of the Association's affairs at the end of the financial year and of the income and expenditure of the Association for the year ended on that date. In preparing those financial statements, suitable accounting policies have been used, framed to the best of the Board's knowledge and belief, by reference to reasonable and prudent judgements and estimates and applied consistently. Applicable accounting standards have been followed. The Board is also required to indicate where the financial statements are prepared other than on the basis that the Association is a going concern.

The Board is responsible for ensuring that arrangements are made for keeping proper accounting records with respect to the Association's transactions and its assets and liabilities and for maintaining a satisfactory system of control over the Association's accounting records and transactions. The Board is also responsible for ensuring that arrangements are made to safeguard the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BOARD MEMBERS' INDEMNITY

The Board Members have confirmed that the Association does have Trustee Indemnity / Directors and Officers Insurance in place.

FINANCIAL INSTRUMENTS

The Association does not have any abnormal exposure to price, credit, liquidity and cash flow risks arising from its trading activities. The Association does not enter into any hedging transactions and no trading in financial instruments is undertaken.

DISCLOSURE OF INFORMATION TO THE AUDITOR

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

- so far as each of the Board Members are aware, there is no relevant audit information of which the Association's auditor is unaware; and
- each of the Board Members has taken all the steps that they ought to have taken as a Board Member to make them aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

BOARD REPORT

Approved by the Board on 24 August 2015 and signed on its behalf by:

A handwritten signature in black ink, appearing to read "M. Bailey". The signature is written in a cursive style with a large loop at the end.

Member of the Board of Management

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ST PETER'S (SALTLEY) HOUSING ASSOCIATION LIMITED**

We have audited the financial statements of St Peter's (Saltley) 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).

Respective responsibilities of The Board and the auditor

As explained more fully in the Statement of Board's Responsibilities set out on page 3, the Board is responsible for the preparation of 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made solely to the Association's members, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council'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 Association's affairs as at 31 March 2015 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, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 require 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; or
- we have not received all the information and explanations we need for our audit.

Mazars LLP

Mazars LLP

Chartered Accountants and Statutory Auditor

45 Church Street

Birmingham

B3 2RT

23 September 2015

ST PETER'S (SALTLEY) HOUSING ASSOCIATION LIMITED**INCOME AND EXPENDITURE ACCOUNT**

For the year ended 31 March 2015

	Notes	2015 £	2014 £
TURNOVER	2	658,815	594,484
Operating costs	2	<u>(494,104)</u>	<u>(546,741)</u>
OPERATING SURPLUS	2	164,711	47,743
Interest receivable and similar income		977	1,115
Interest payable and similar charges	5	<u>(10,453)</u>	<u>(11,889)</u>
SURPLUS FOR THE YEAR BEFORE TRANSFERS	4/14	<u>155,235</u>	<u>36,969</u>


The Association's turnover and expenses all relate to continuing operations. The Association has no recognised surpluses or deficits other than the surplus for the year.

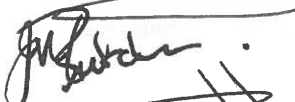
ST PETER'S (SALTLEY) HOUSING ASSOCIATION LIMITED


BALANCE SHEET
At 31 March 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets			
Housing properties			
- Cost	9	7,646,392	7,614,966
- Social Housing Grant	9	(6,749,254)	(6,749,254)
- Depreciation	9	(146,003)	(126,830)
		<u>751,135</u>	<u>738,882</u>
Other fixed assets	9	6,562	11,584
		<u>757,697</u>	<u>750,466</u>
CURRENT ASSETS			
Debtors	10	29,364	26,902
Cash at bank and in hand		436,327	290,828
		<u>465,691</u>	<u>317,730</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(84,747)	(68,239)
NET CURRENT ASSETS		<u>380,944</u>	<u>249,491</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,138,641</u>	<u>999,957</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12	69,689	86,240
CAPITAL AND RESERVES			
Share capital	13	29	29
Accumulated reserves	14	819,757	673,522
Designated reserves	15	249,166	240,166
TOTAL CAPITAL AND RESERVES		<u>1,138,641</u>	<u>999,957</u>

The financial statements on pages 6 to 17 were approved by the Board of Management on 24 August 2015 and were signed on its behalf by:

 Member of the Board of Management

 Member of the Board of Management

 Member of the Board of Management

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and in accordance with the Co-operative and Community Benefit Societies Act 2014, the Accounting Direction for Private Registered Providers of Social Housing 2012, and the Statement of Recommended Practice, "Accounting by Registered Social Housing Providers issued by the National Housing Federation in 2010.

(a) Accounting convention

The financial statements are prepared under the historical cost convention.

(b) Turnover

Turnover primarily represents rents, service charges receivable and Supporting People grant in respect of tenanted properties.

(c) Depreciation

Housing Properties

Freehold land is not depreciated. Depreciation is charged so as to write off the cost (net of Social Housing Grant) 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:

General needs houses-structure: 100 years

Major components are treated as separable assets and depreciated over their expected useful life as follows:

Roof:	70 years	Electrical installations:	40 years
Kitchens:	30 years	Lifts:	30 years
Bathrooms:	30 years	Windows:	30 years
Central Heating:	30 years	Boilers:	15 years

Properties held on long lease are depreciated over the remaining life of the lease (97 years).

For properties where a structure has an estimated useful economic life of more than 50 years, impairment reviews are carried out on an annual basis in accordance with FRS 11.

Other fixed assets

Depreciation is calculated to write off the cost of other fixed assets over their estimated useful lives as follows:

Office fixtures and fittings	- 20% reducing balance
Computer equipment	- 33⅓% straight line
Security system	- 10% straight line

(d) 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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

(e) Improvements to properties

Expenditure on existing housing properties, other than the replacement of components, is capitalised when it:

- Relates to a major overhaul of the property.
- Improves the economic benefit of the asset either through an increase in rental income, a reduction in maintenance costs or through an extension of the life of the property.

(f) Development overhead costs

Only those staff costs directly attributable to development activity are capitalised.

(g) Investments

Investments held as current assets are stated at the lower of cost and net realisable value.

(h) Interest 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.

(i) Operating leases

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

(j) Designated reserves - Equipment replacement reserve

This reserve comprises that element of the service charge receivable which is designated specifically for the replacement of equipment. The original cost of the equipment is included in housing land and building costs.

(k) Pension costs

Contributions payable to individual staff members' pension schemes are charged to the income and expenditure account in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

2. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2015		
	Turnover £	Operating costs £	Operating surplus £
INCOME AND EXPENDITURE FROM LETTINGS			
Housing accommodation (Note 3)	613,292	(489,370)	123,922
OTHER INCOME AND EXPENDITURE			
Other	45,523	(4,734)	40,789
TOTAL	658,815	(494,104)	164,711

	2014		
	Turnover £	Operating costs £	Operating Surplus / (deficit) £
INCOME AND EXPENDITURE FROM LETTINGS			
Housing accommodation (Note 3)	588,235	(538,864)	49,371
OTHER INCOME AND EXPENDITURE			
Other	6,249	(7,877)	(1,628)
TOTAL	594,484	(546,741)	47,743

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

3. INCOME AND EXPENDITURE FROM LETTINGS	2015	2014
	£	£
Income from lettings - Housing accommodation		
Rent receivable	428,675	400,820
Service charges receivable (incl' SP income)	184,617	187,415
	<u>613,292</u>	<u>588,235</u>
Net rents receivable		
	<u>613,292</u>	<u>588,235</u>
Expenditure on letting activities - Housing accommodation		
Services	173,484	191,884
Management	153,168	166,185
Routine maintenance	104,349	119,991
Major repairs expenditure	31,423	41,546
Rent losses from bad debts	5,901	1,888
Depreciation of housing properties	21,045	17,370
	<u>489,370</u>	<u>538,864</u>
Total expenditure on lettings		
	<u>489,370</u>	<u>538,864</u>
Operating surplus on letting activities	<u>123,922</u>	<u>49,371</u>
	<u>123,922</u>	<u>49,371</u>
Rent losses from voids	8,407	9,034
	<u>8,407</u>	<u>9,034</u>
4. SURPLUS FOR THE YEAR ON ORDINARY ACTIVITIES BEFORE TRANSFERS		
	2015	2014
	£	£
The surplus for the year is stated:		
after charging:		
Depreciation of tangible fixed assets	29,269	25,021
Loss on disposal of fixed assets	345	10,055
Auditors' remuneration - audit services	4,565	4,420
(excluding VAT) - other services	-	-
	<u>34,189</u>	<u>39,501</u>
5. INTEREST PAYABLE AND SIMILAR CHARGES		
	2015	2014
	£	£
On loans repayable wholly or partly in more than five years	10,453	11,889
	<u>10,453</u>	<u>11,889</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

6. TAXATION

No taxation charge arises as the Association has been granted charitable status by HM Revenue & Customs.

7. STAFF COSTS

	2015	2014
	£	£
Staff costs including directors:		
Wages and salaries	131,073	175,088
Social security costs	8,158	13,548
Pension and other costs	14,738	15,643
	<u>153,969</u>	<u>204,279</u>
	Number	Number
Average number of persons expressed as full time equivalents (including the directors) employed during the year:		
Office staff	5	4
Service staff	2	4
	<u>7</u>	<u>8</u>
Total employees	<u>7</u>	<u>8</u>

8. DIRECTORS' AND THE EXECUTIVE OFFICERS' EMOLUMENTS

	2015	2014
	£	£
Emoluments (including pension contributions and benefits in kind)	<u>17,712</u>	<u>46,039</u>

The emoluments of directors and the executive officers disclosed above (excluding pension contributions and benefits in kind) include amounts paid to:

The highest paid director – Chief Executive Officer (CEO)	<u>17,712</u>	<u>46,039</u>
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Martyn Hale, CEO, was appointed on 1 May 2013 and resigned on 8 May 2014.

A new CEO, Helen Harvey was appointed on 30 July 2014 on a part time basis. Additional executive management support was provided by an interim manager during the transition period.

None of the non-executive directors received any emoluments.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

9. TANGIBLE FIXED ASSETS

	Housing properties for letting £	Office equipment and computers £	Total £
COST			
At 31 March 2014	7,614,966	121,750	7,736,716
Additions	33,643	3,202	36,845
Disposals	(2,217)	-	(2,217)
At 31 March 2015	<u>7,646,392</u>	<u>124,952</u>	<u>7,771,344</u>
SOCIAL HOUSING GRANT (SHG)			
At 1 April 2014 and at 31 March 2015	(6,749,254)	-	(6,749,254)
DEPRECIATION			
At 31 March 2014	126,830	110,166	236,996
Eliminated on disposals	(1,872)	-	(1,872)
Charge for year	21,045	8,224	29,269
At 31 March 2015	<u>146,003</u>	<u>118,390</u>	<u>264,393</u>
NET BOOK VALUE			
At 31 March 2015	<u>751,135</u>	<u>6,562</u>	<u>757,697</u>
At 31 March 2014	738,882	11,584	750,466
The net book value of housing properties above comprises:			
		£	
Freehold		110,646	
Leasehold		640,489	
		<u>751,135</u>	
Expenditure on housing properties for letting comprises:			
		£	
Replacement of components		33,643	
Routine maintenance (note 3)		104,349	
Major repairs expenditure (note 3)		31,423	
Total works to completed properties		<u>169,415</u>	

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

10. DEBTORS

	2015 £	2014 £
Amounts falling due within one year:		
Rental and service charge debtors	13,642	17,602
Less: provision for bad debts	(11,651)	(13,941)
	<u>1,991</u>	<u>3,661</u>
Other debtors	19,451	12,500
HAPM insurance prepaid	7,922	10,741
	<u>29,364</u>	<u>26,902</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Loan principal	16,551	14,961
Other creditors	57,838	41,648
Prepaid rent	10,358	11,630
	<u>84,747</u>	<u>68,239</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 £	2014 £
Housing loans	<u>69,689</u>	<u>86,240</u>

Housing loans are secured by specific charges on the Association's housing properties and are repayable at varying rates of interest between 9.5% and 12.25% as follows:

	2015 £	2014 £
Amounts repayable by instalments:		
Repayable between two and five years	62,542	71,366
Repayable after five years	7,147	14,874
	<u>69,689</u>	<u>86,240</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

13. SHARE CAPITAL

	2015 £	2014 £
At 31 March 2014	29	34
Issued during the year	2	2
	<u>31</u>	<u>36</u>
Forfeited during the year	(2)	(7)
	<u>(2)</u>	<u>(7)</u>
At 31 March 2015	<u>29</u>	<u>29</u>

14. ACCUMULATED RESERVES

	2015 £	2014 £
At 31 March 2014	673,522	646,553
Surplus for the year	155,235	36,969
Transfer to designated reserves (note 15)	(9,000)	(10,000)
	<u>673,522</u>	<u>646,553</u>
At 31 March 2015	<u>819,757</u>	<u>673,522</u>

15. DESIGNATED RESERVES

	2015 £	2014 £
Equipment replacement reserve:		
At 31 March 2014	240,166	230,166
Transfer from income and expenditure account (note 14)	9,000	10,000
	<u>240,166</u>	<u>230,166</u>
At 31 March 2015	<u>249,166</u>	<u>240,166</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

16. PENSION OBLIGATIONS

St Peter's (Saltley) 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.

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.

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.

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 67.0%.

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%.

17. CAPITAL COMMITMENTS

	2015 £	2014 £
Capital expenditure contracted for but not provided for in the financial statements	-	-
Capital expenditure authorised but not yet contracted for in the financial statements	-	-

18. 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.

	Land & buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Operating leases which expire:				
Within two to five years	11,672	11,672	6,120	6,120
Within one year	-	-	-	619

19. UNITS IN MANAGEMENT AND DEVELOPMENT

	2015 Number	2014 Number
All social housing units:		
Under management at the year end (all rented)	105	105
Under development	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

20. RELATED PARTY TRANSACTIONS

Three tenants also served on the Board during the year. They rent properties from the Association under the same terms and conditions as all tenants in similar properties.

Jack Butcher, Board member, is also a Board member of The Urban Village Trust. The Association leases its office premises from the Trust, this lease agreement is on normal commercial terms, no special rates apply.

21. LEGISLATIVE PROVISIONS

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014.

