

**Clanmil Housing Association Limited**  
**Annual Statement of Accounts**  
**for the year ended 31 March 2014**

## Annual Statement of Accounts for the year ended 31 March 2014

<b>Contents</b>	<b>Pages</b>
Board of Management and advisers	2
Strategic report of the Board of Management	3 - 6
Report of the Board of Management	7 - 9
Independent Auditors' report	10 - 11
Group income and expenditure account	12
Association income and expenditure account	13
Group balance sheet	14
Association balance sheet	15
Group cash flow statement	16
Notes to the financial statements	17 – 38

## Board of Management and advisers

### Board of Management

S Amos BA ACIB (Chair from 31 January 2014)  
J Baird MSc FCIH (Chair until 30 January 2014)  
P Anderson CFIIA MBA (co-opted until 19 June 2013)  
D Brennan P.C M.Sc (Mgmt) LL.B (Hons) (co-opted)  
B Clerkin ACA CMIIA  
P Fiddaman MA (oxon) ACA (co-opted 19 June 2013)  
J Gill (co-opted) (resigned 19 June 2013)  
CT Hogg MBE UD JP DL (resigned 19 June 2013)  
D Long (co-opted)  
M O'Boyle CQSW ASW  
C Ramsey BSc (Hons) Dip TP Dip BA MRTPI (co-opted)  
D Reid LL.B FCA  
J Scott LL.B (Hons)

### Chief Executive and Company Secretary

CI McCarty BA MCIH MRICS

### Registered office

Northern Whig House  
3 Waring Street  
Belfast  
BT1 2DX

Registered under the Industrial and Provident Societies Act (Northern Ireland) 1969, No. IP000136

### Solicitors

Harrisons  
15-17 Chichester Street  
Belfast  
BT1 4JB

### Bankers

Danske Bank Limited  
Donegall Square West  
Belfast  
BT1 6SJ

### Independent auditors

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Waterfront Plaza  
8 Laganbank Road  
Belfast  
BT1 3LR

## Strategic report of the Board of Management for the year ended 31 March 2014

The Board of Management present their strategic report and the audited financial statements for the year ended 31 March 2014 of Clanmil Housing Association Limited (the “Association”) and its subsidiaries (the “Group”).

### Principal activities

The Group is a leading provider of high quality, affordable housing for rent with almost 4,000 homes throughout Northern Ireland and the Republic of Ireland. We aim to provide great homes that strengthen communities with services that matter.

We work to create places where people want to live and the belief that good homes provide a strong foundation for sustainable communities is at the core of all that we do.

#### *Our Tenants*

As with any community, Clanmil tenants are a varied group. They range from older people who need support to continue to live in the community, to low income families and single people.

However, what the vast majority of our tenants have in common is the need for a good home and the desire to live in a settled community with good neighbours.

#### *High Quality Affordable Homes*

We provide a wide range of high quality housing solutions including:

- homes for families and single people;
- housing and support for older people;
- supported housing for older people with dementia, learning disabilities and mental ill-health;
- hostels providing temporary refuge for women and their children suffering abuse within the home;
- houses for Irish Travellers;
- supported housing for young people leaving care.

We also help facilitate affordable home ownership through equity share.

#### *Outstanding Performance*

Our performance is assessed by our regulatory body, the Department for Social Development and we are committed to continuing to achieve the highest standards.

Our innovation and excellence has been recognised and rewarded by success in a range of national and international award competitions.

#### *Service Excellence*

We aim to achieve high levels of customer satisfaction by delivering excellent services to all of our tenants.

We work in partnership with our tenants to continually develop and improve our services and we are committed to delivering tailored services that best reflect their needs.

For a number of our tenants, paying rent and service charges has a significant impact on their household income. We therefore aim to keep rents affordable by mainstreaming efficiency and cost effectiveness in our service delivery.

#### *Delivering New Homes*

The Association has one of the largest new build development programmes in Northern Ireland and we work collaboratively as a member of the Abacus procurement group in the delivery of the social housing development programme.

We secure significant private finance to stretch the available public funding and ensure that Government targets for the delivery of much needed homes are met.

We work closely with local communities and their representatives to ensure that our developments provide well designed housing solutions that really meet their needs.

Our new homes are built to high environmental standards, not only to reduce the environmental impact of the properties we build, but also to cut the running costs for our tenants, helping to alleviate fuel poverty.

## Strategic report of the Board of Management for the year ended 31 March 2014

### *Maintaining and Improving our Homes*

Investing in our existing homes is a top priority and by providing efficient, value for money maintenance and a reactive repair service we ensure that our homes meet, and in many cases surpass, the Decent Homes Standard.

Our asset management strategy is supported by long term financial planning that will ensure we can continue to provide high quality homes, fit for purpose and well maintained, into the future.

### *Sustainable Communities*

Our housing schemes strengthen communities and we are committed to creating safe and sustainable neighbourhoods where people want to live and raise their families.

We seek to forge robust partnerships with the local community in order to build a strong sense of belonging and neighbourliness and promote a settled and positive environment at our schemes.

Our community development strategy is delivered in partnership with local authorities, residents groups and other agencies to address issues affecting disadvantaged neighbourhoods such as social and financial inclusion, children's play and other areas of family life.

We firmly believe that shared future housing offers a route to a more inclusive and sustainable future for Northern Ireland and we are committed to continuing to deliver shared neighbourhoods where appropriate.

### *Looking to the Future*

Despite the challenging environment in which we operate, our long term strategic planning and financial modelling supports the continued provision of new affordable homes and investment in our existing housing stock.

We will continue to review the efficiency of our operations and how we can be more effective and will look to new strategic alliances to further strengthen services for tenants.

### *Strength in our People*

Our success is in no small part due to the people who work for Clanmil. The Group currently employs 249 people. An excellent benefits package, including an award winning work life balance scheme, helps us attract and retain high calibre, professional people who are fully committed to providing great homes and excellent services.

## **Board of Management**

The Board of Management is a voluntary Committee who have responsibility for the strategic direction, general policy and management of the Group. The day to day management of operations is delegated to the Group Chief Executive and the Senior Management Team.

## **Gender analysis**

6 members of the Board of Management are male and 4 are female. The Senior Management Team is comprised of 2 males and 4 females. The Group has 237 employees of which 53 are male and 184 are female.

## **Group structure and operational performance**

Clanmil Housing Association Limited provides affordable housing in Northern Ireland and is the controlling member of the Group. Clanmil Developments Limited provides property development services to assist the Association in delivering its social housing development programme.

Clanmil Properties Limited manages commercial property rentals and provides services to property management companies and other Housing Associations.

Milbreen Limited is currently dormant but intends to develop affordable housing for sale.

Clanmil Housing Association Ireland Limited provides housing accommodation for those in need in the Republic of Ireland.

Refer to note 13 for details of Clanmil Housing Association Limited investments in subsidiary undertakings.

During the year, and as planned by both Boards, Clanmil Housing Association Ireland Limited ceased to be a subsidiary of Clanmil Housing Association Limited. Clanmil Housing Association Limited has therefore deconsolidated the results and financial position of Clanmil Housing Association Ireland Limited from the date that control was lost (note 7).

The Group continues to grow and efficiency savings are reinvested where appropriate to improve existing services, deliver additional services and maintain or improve the stock condition and value.

## Strategic report of the Board of Management for the year ended 31 March 2014

We strive to operate efficiently and effectively, and outputs are monitored by the Board of Management who receive performance reports covering a variety of financial and non-financial performance information.

For the core business areas the Board has set a number of key performance indicators - these include rent arrears, voids, customer satisfaction, growth, maintenance repair times, staff turnover and financial stability.

In challenging operating conditions, the Association has achieved the following key performance indicators:-

Gearing ratio 23% (target 35%)

Liquidity ratio 107% (target 150%)

Interest cover 2.43 (target 2.12)

Housing schemes non-technical arrears 9.60% (target 8.0%)

Housing schemes voids 2.03% (target 3.00%)

Response maintenance within timescale 97% (target 96%)

Staff turnover 10% (target 13%)

Tenant satisfaction (fairly or very satisfied) 90% (target 80%)

The management of financial resources is critical to the Group's ability to meet its objectives. Whilst the two registered Housing Associations have voluntary non-profit making status, the generation of an annual surplus is vital to ensure the ongoing investment in new housing stock, to provide for longer term maintenance obligations, to meet the commitments to lenders, and to generally ensure adequate protection against unforeseen circumstances.

The key strengths of the Group which enable its primary objectives to be achieved are:

- A commitment to the highest standards of corporate governance;
- A financial position which secures the confidence of funders, facilitating future investment and strategic growth opportunities;
- Professional and dedicated staff who are committed to the Group's objectives; and
- An ability to deliver the social housing development programme.

### Status

Clanmil Housing Association Limited is registered under the Industrial and Provident Societies Act (Northern Ireland) 1969 (No. IP000136) and is a Registered Housing Association.

The Association is a registered charity (Charity No. XR 43042).

Clanmil Housing Association Ireland Limited has approved status under Section 6 of the Housing (Miscellaneous Provisions) Act, 1992 for the purposes of voluntary housing. The Association in Ireland is a registered charity (Charity No. CHY 14478). As noted above, during the year, Clanmil Housing Association Ireland Limited ceased to be a subsidiary of Clanmil Housing Association Limited. Clanmil Housing Association Limited has therefore deconsolidated the results and financial position of Clanmil Housing Association Ireland Limited from the date that control was lost.

### Risk Management

Responsibility for the identification of risks is clearly defined and operates through a rolling risk assessment process. Key risks facing the Group are considered by the Board of Management at each meeting and the Board has adopted a risk-aware strategic focus.

Performance in the sector is generally affected by government policies and changing legislation, the impact of the regulatory regime, changes in demographic, political or economic conditions or environmental risks. Some of the major factors which may affect the Group over the next year are:

- Increasing customer demands/expectations including the need to deal with anti-social behaviour;
- Housing policy and planning issues, including the transfer of planning powers to councils;
- Limits on Supporting People and other revenue funding;
- Issues arising from public procurement policy and legislation;
- Rationalisation of the social housing sector in Northern Ireland;
- The impact of welfare reform;
- The availability and cost of private finance; and
- The effect of reducing grant rates on the ability to develop financially viable schemes in Northern Ireland.

## Strategic report of the Board of Management for the year ended 31 March 2014

### Performance in the year ended 31 March 2014

During the year the number of homes in management in the Group increased by 224 (6%) to 3,771.

There were 595 units under development by the Group at 31 March 2014.

£34.217 million was spent on the development of housing properties during the year by the Association, partially funded by Housing Association Grant of £17.932 million.

Turnover for the Group increased by 11% from £16.685 million in 2012/13 to £18.449 million.

The Association's annual review of rental charges at April 2013 resulted in a 4.84% increase in the majority of rents.

Group operating costs of £13.289 million represent 72% of turnover (75% in 2012/13).

The deficit for the Group for the financial year was £259K, before transfers to designated reserves, but including the transfer arising on the deconsolidation of Clanmil Housing Association Ireland of £2.410 million.

The surplus for the Group for the financial year before this exceptional item was £2.151 million, showing an increase over 2012/13 of £297K.

Net financing costs increased from £2.173 million in 2012/13 to £2.959 million, reflecting an increase in the level of debt throughout the year and a marginal increase in the effective interest rate arising from a greater proportion of the debt being drawn longer term at fixed rates of interest.

The Association continues its programme of major repairs and improvements to properties and the total expenditure in the year was £1.052 million. The level of expenditure of this nature will fluctuate from year to year dependent on the age and condition of schemes and this has a significant impact on the amount of retained surplus in any one year after the relevant transfer to/from designated reserves.

Designated reserves of £12.087 million at the year end demonstrate the Group's overall capacity to meet its future major repairs and cyclical maintenance commitments.

### Expected performance in the year ending 31 March 2015

The Group expects further expansion in 2014/15 as a result of a significant ongoing development programme with turnover projected to increase by around 25% to approximately £23 million. The indicative social housing development programme in Northern Ireland shows an allocation to the Association of 505 units to be acquired or start on site in 2014/15.

It is planned that approximately 500 additional units of housing will be completed during the year increasing the total stock owned or managed by the Group to approximately 4,300 units.

£3.8 million of expenditure regarding the ongoing programme of major repairs and improvements to properties is anticipated in the year.

The Group operates in a highly regulated environment which can result in associated cost pressures and constraints on income streams. It will continue to develop a co-ordinated corporate approach to achieving efficiency targets in line with the Strategic Plan. Priorities have been set to ensure that efficiencies are gained without an adverse impact on service delivery or service user satisfaction.

By order of the Board

CI McCarty  
Company Secretary  
5 June 2014

## Report of the Board of Management for the year ended 31 March 2014

The Board of Management present their report and the audited financial statements for the year ended 31 March 2014 of Clanmil Housing Association Limited (the “Association”) and its subsidiaries (the “Group”).

### Board of Management

The Board of Management is a voluntary Committee who have responsibility for the strategic direction, general policy and management of the Group. The day to day management of operations is delegated to the Group Chief Executive and the Senior Management Team.

### Performance in the year ended 31 March 2014 and expected performance in the year ended 31 March 2015

The sections on performance in the year ended 31 March 2014 and expected performance in the year ended 31 March 2015, which are in the strategic report, are included in this report by cross reference.

### Treasury

The Group’s treasury management policy facilitates the effective management of cash flows, borrowings, investments and the risks associated with these activities.

At 31 March 2014 the Association had loans outstanding of £77.882 million, representing an increase in the loan portfolio of £19.828 million over 31 March 2013. Average net debt per unit increased from £17k at 31 March 2013 to £20k at 31 March 2014.

The Group was fully compliant with loan covenants during the year.

The Association’s interest cover ratio for the year of 2.43% and the adjusted net leverage ratio as at 31 March 2014 of 20.85% comfortably exceed the Association’s primary lenders’ requirements.

Responsibility for the management of interest rate risk and liquidity risk is delegated to the Group Finance Committee. The Association finances its operations through a combination of borrowing and the reinvestment of retained reserves. The amount of borrowings and its terms are reviewed and determined by the Group Finance Committee. The Group engages specialist Treasury Management Advisors to assist in this process.

### Interest rate risk

Exposure to fluctuating interest rates is managed by the composition of a balanced portfolio between fixed rate and variable rate loans. The Association’s effective interest rate in 2012/13 was 3.83%. The 2013 Global Accounts of Housing Providers published by the Homes and Communities Agency shows an average effective interest rate across all housing providers of 5.1% in 2012/13. The Association’s effective interest rate in 2013/14 increased marginally to 3.88%. When compared against the 2013 Global Accounts benchmark of all housing providers the Association’s performance in 2013/14 is considered to be very good.

### Liquidity risk

The Group maintains a mixture of long-term and short-term loan finance that is designed to ensure there is sufficient funds to achieve business objectives and to facilitate planned growth.

Following a major funding procurement exercise which was completed in February 2014 to support the business growth strategy the Association had available loan facilities agreed with banks but undrawn of £95 million at 31 March 2014.

### Currency risk

The Association and Group does not engage in foreign currency transactions and so is not exposed to exchange risk.

### Regulation

The Association’s principal regulator is the Department for Social Development (DSD). It is also regulated by the Northern Ireland Housing Executive (NIHE) in its role as administrator of Supporting People funding.



## Report of the Board of Management for the year ended 31 March 2014

The DSD issued its draft inspection review report on the Association in March 2014 covering five main areas of operations. A four tier scoring mechanism has been adopted to reflect the assessment of substantial assurance, satisfactory assurance, limited assurance and no assurance. The individual assurance ratings attained are as follows:

<b>Area of operations:</b>	<b>Rating:</b>
Financial Management	Substantial Assurance
Corporate Governance	Substantial Assurance
Housing Management	Substantial Assurance
Property Management	Substantial Assurance
Property Development	Substantial Assurance
Overall	Substantial Assurance

### Quality Management

The quality of the Association's management systems is recognised through the ISO and Investors in People accreditations, the standards of the Code of Practice for the Centre for Sheltered Housing Studies and the standards of the Regulation and Quality Improvement Authority.

### Environmental matters

The Group recognises its corporate responsibility to carry out its operations and development programme whilst minimising environmental impacts. The Board's continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

### Charitable donations

Donations totalling £396 (2013:£251) were made by the Group during the year. No donations for political purposes were made during the year (2013:£nil).

### Statement of the responsibilities of the members of the Board of Management

The Industrial and Provident Societies Act and registered housing association legislation require the members of the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of the Association and Group's affairs and of its surplus or deficit for that period. In preparing these statements the Board is required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue to operate.

The members of the Board of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and Group and to enable them to ensure that the financial statements comply with the Industrial and Provident Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993. They have general responsibility for the taking of reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

## Report of the Board of Management for the year ended 31 March 2014

### Statement of disclosure of information to auditors

So far as each of the members of the Board of Management at the date of approval of these financial statements is aware:

- There is no relevant audit information of which the Association and Group's auditors are unaware; and
- They have taken all the steps that they ought to have taken as members of the Board of Management in order to make themselves aware of any relevant audit information and to establish that the Association and Group's auditors are aware of that information.

### Internal Control

The Board of Management has overall responsibility for the Association and Group's internal control systems and for reviewing the effectiveness of these. Such systems can only provide the Board of Management with reasonable (and not absolute) assurance against material misstatement or loss as they are designed to manage the risk of failure to achieve business objectives rather than eliminate the risk completely.

### Audit

The Board of Management has established an Audit Committee with clearly defined terms of reference. The main functions of the Audit Committee are to control and review the external and internal audit functions, the internal control systems and monitor the performance of the Association against the key business indicators. The Association's internal auditors report directly to the Audit Committee on completion of each systems review and an annual summary report is produced by the internal auditors summarising the systems audit programme each year. The work of the external auditors also provides some assurance through the year end audit and the provision of an internal control report.

### Board of Management and Executive Officers

The members of the Board of Management and the executive officers of the Association are listed on page 2.

Each member of the Board of Management other than members co-opted during the year holds one fully paid share of £1 in the Association.

In accordance with the rules of the Association, Ms Baird and Mr Reid are due to retire by rotation. Ms Baird is not eligible for re-appointment.

### Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution proposing their reappointment will be proposed at the Annual General Meeting.

By order of the Board

CI McCarty  
Company Secretary  
5 June 2014

## Independent auditors' report to the members of Clanmil Housing Association Limited

### Report on the financial statements

#### Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's and of the registered provider's affairs as at 31 March 2014 and of the group's and the registered provider's surplus and cash flows for the year then ended; and
- have been properly prepared in accordance with the Industrial and Provident Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

This opinion is to be read in the context of what we say in the remainder of this report.

#### What we have audited

The group financial statements and registered provider financial statements (the "financial statements"), which are prepared by Clanmil Housing Association Limited, comprise:

- the group and registered provider balance sheets as at 31 March 2014;
- the group and registered provider income and expenditure accounts for the year then ended;
- the group cash flow statement for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

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).

In applying the financial reporting framework, the Board has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### What an audit of financial statements involve

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the registered provider's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Board; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Statement of Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Other matters on which we are required to report by exception

#### Adequacy of accounting records, system of internal control and information and explanations received

Under the Industrial and Provident Societies Act (Northern Ireland) 1969 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

## Independent auditors' report to the members of Clanmil Housing Association Limited

### Responsibilities for the financial statements and the audit

#### Our responsibilities and those of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 8, the Board is 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the registered provider's members as a body in accordance with section 43 of the Industrial and Provident Societies Act (Northern Ireland) 1969 and article 19 of The Housing (Northern Ireland) Order 1992 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Act (Northern Ireland) 1969 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; or
- we have not received all the information and explanations we need for our audit.

Martin Pitt (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Belfast  
5 June 2014

Group income and expenditure account for the year ended 31 March 2014

	Note	2014 £	2013 £
<b>Turnover</b>	2	<b>18,448,826</b>	16,684,908
<b>Operating costs</b>	3	<b>(13,288,856)</b>	(12,553,351)
<b>Operating surplus</b>	4	<b>5,159,970</b>	4,131,557
Exceptional item	7	<b>(2,410,398)</b>	-
Deficit arising from disposals of other fixed assets		<b>(14,332)</b>	-
Deficit arising from disposals of housing property		<b>(16,427)</b>	(81,501)
Transfer to disposal proceeds fund	8	<b>(18,713)</b>	(22,611)
Interest receivable and similar income	9	<b>64,014</b>	53,829
Interest payable and similar charges	10	<b>(3,023,227)</b>	(2,227,274)
<b>(Deficit)/ surplus on ordinary activities</b>		<b>(259,113)</b>	1,854,000
Transfer from/(to) designated reserves	22	<b>361,945</b>	(1,610,838)
Transfer from designated reserves- exceptional	22	<b>435,094</b>	-
<b>Retained surplus for the financial year before taxation, transfers and foreign exchange translation movements</b>		<b>537,926</b>	243,162
Transfer from/(to) mortgage amortisation reserves	21	<b>2,703,388</b>	(403,645)
Taxation		<b>(1,635)</b>	-
Foreign exchange translation movements		-	(1,266)
<b>Retained surplus/(deficit) for the financial year</b>		<b>3,239,679</b>	(161,749)
Retained surplus brought forward		<b>10,752,234</b>	10,913,983
<b>Retained surplus carried forward</b>		<b>13,991,913</b>	10,752,234

All amounts above relate to continuing operations of the Group.

The Group has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the surplus on ordinary activities and its historical cost equivalents.

**Association income and expenditure account for the year ended 31 March 2014**

	Note	2014 £	2013 £
<b>Turnover</b>	2	<b>18,642,478</b>	16,128,487
<b>Operating costs</b>	3	<b>(13,495,738)</b>	(12,221,030)
<b>Operating surplus</b>	4	<b>5,146,740</b>	3,907,457
Deficit arising from disposals of other fixed assets		(14,332)	-
Deficit arising from disposals of housing property		(16,427)	(76,762)
Transfer to disposal proceeds fund	8	(18,713)	(22,611)
Interest receivable and similar income	9	64,014	53,633
Interest payable and similar charges	10	(3,023,227)	(2,224,240)
<b>Surplus on ordinary activities</b>		<b>2,138,055</b>	1,637,477
Transfer from/(to) designated reserves		361,945	(1,570,056)
<b>Retained surplus for the financial year</b>		<b>2,500,000</b>	67,421
Retained surplus brought forward		11,500,000	11,432,579
<b>Retained surplus carried forward</b>		<b>14,000,000</b>	11,500,000

All amounts above relate to continuing operations of the Association.

The Association has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the surplus on ordinary activities and its historical cost equivalents.

## Group balance sheet as at 31 March 2014

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Housing properties - depreciated cost	11	337,107,906	316,382,846
Less: Housing Association Grant and other grants	11	(238,470,313)	(220,799,969)
		<b>98,637,593</b>	95,582,877
Other tangible fixed assets	12	2,154,494	2,053,770
		<b>100,792,087</b>	97,636,647
<b>Current assets</b>			
Debtors	14	10,944,271	14,100,553
Cash at bank and in hand		8,506,260	3,268,983
		<b>19,450,531</b>	17,369,536
<b>Creditors: amounts falling due within one year</b>	16	<b>(18,220,454)</b>	(22,368,000)
<b>Net current liabilities</b>		<b>1,230,077</b>	(4,998,464)
<b>Total assets less current liabilities</b>		<b>102,022,164</b>	92,638,183
<b>Creditors: amounts falling due after more than one year</b>			
	17	<b>75,942,723</b>	66,297,996
<b>Capital and reserves</b>			
Called up share capital	19	22	20
Capital reserve	20	9	9
Designated reserves	22	12,087,497	12,884,536
Mortgage amortisation reserve	21	-	2,703,388
Revenue reserve		13,991,913	10,752,234
<b>Total funds</b>	23	<b>26,079,441</b>	26,340,187
		<b>102,022,164</b>	92,638,183

The financial statements on pages 12 to 38 were approved by the Board of Management on 5 June 2014 and were signed on its behalf by:

D T Reid  
Chair of Group Finance Committee

## Association balance sheet as at 31 March 2014

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Housing properties - depreciated cost	11	337,107,906	304,269,499
Less: Housing Association Grant and other grants	11	(238,470,313)	(220,799,969)
		<b>98,637,593</b>	83,469,530
Other tangible fixed assets	12	2,154,494	2,049,859
Investments	13	30,002	5,002
		<b>100,822,089</b>	85,524,391
<b>Current assets</b>			
Debtors	14	10,578,815	14,175,811
Cash at bank and in hand	15	8,146,768	2,365,163
		<b>18,725,583</b>	16,540,974
<b>Creditors: amounts falling due within one year</b>	16	<b>(17,517,421)</b>	(21,758,899)
<b>Net current assets/(liabilities)</b>		<b>1,208,162</b>	(5,217,925)
<b>Total assets less current liabilities</b>		<b>102,030,251</b>	80,306,466
<b>Creditors: amounts falling due after more than one year</b>			
	17	<b>75,942,723</b>	56,356,995
<b>Capital and reserves</b>			
Called up share capital	19	22	20
Capital reserve	20	9	9
Designated reserves	22	12,087,497	12,449,442
Revenue reserve		14,000,000	11,500,000
<b>Total funds</b>	23	<b>26,087,528</b>	23,949,471
		<b>102,030,251</b>	80,306,466

The financial statements on pages 12 to 38 were approved by the Board of Management on 5 June 2014 and were signed on its behalf by:

D T Reid  
Chair of Group Finance Committee



**Group cash flow statement for the year ended 31 March 2014**

	Note	2014 £	2013 £
<b>Net cash inflow from operating activities</b>	24	<b>11,223,608</b>	5,505,436
<b>Returns on investments and servicing of finance</b>			
Interest received		58,738	53,554
Interest paid		(2,945,277)	(2,446,740)
		<b>(2,886,539)</b>	(2,393,186)
<b>Capital expenditure</b>			
Purchase and development of housing properties		(36,444,533)	(23,463,362)
Housing Association Grant and other grants		13,994,320	11,921,767
Voluntary Purchase Grant		19,500	-
Receipts from disposal of housing properties		53,816	53,661
Purchase of other tangible assets		(304,876)	(131,035)
		<b>(22,681,773)</b>	(11,618,969)
<b>Acquisitions and disposals</b>			
Net cash disposed with subsidiary		(246,051)	-
<b>Financing</b>			
Loan advances		51,334,691	14,451,000
Loan principal repayments		(31,506,661)	(4,478,629)
Mortgage advanced		-	441,315
Allotment of shares		2	1
		<b>19,828,032</b>	10,413,687
<b>Increase in cash in the year</b>	25 - 26	<b>5,237,277</b>	1,906,968

**Notes to the financial statements for the year ended 31 March 2014****1 Accounting policies**

These financial statements have been prepared on the going concern basis under the historical cost convention, and in accordance with applicable accounting standards and Statement of Recommended Practice for Accounting by Registered Social Landlords (updated 2010) and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below. The presentation of the financial statements complies with the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993.

**Basis of consolidation**

The group income and expenditure account and balance sheet include the financial statements of the group and its subsidiary undertakings made up to 31 March 2014. Intra group transactions, any unrealised profits/losses arising and intercompany balances are eliminated fully on consolidation.

**Tangible fixed assets****Housing properties**

The Group operates a full component accounting policy in relation to the capitalisation and depreciation of its completed housing stock.

**Other housing properties**

Other housing properties are stated as cost which is purchase price together with any incidental costs of acquisition. These properties are effectively purchased concurrently by the Association and participants and so are disclosed in fixed assets at the cost to the Association with the participants' net investment also disclosed in the housing properties note to the accounts.

The initial cost of the houses is not split between current and fixed assets since the Association and the participant effectively purchase their respective shares simultaneously. The circumstances of this type of transaction means that no gain nor loss will ever be made by the Association on first tranche sales and so the proceeds and costs are not shown in turnover or cost of sales. This allows the Association to present a true and fair view of the commercial reality behind such a co-ownership scenario.

**Other fixed assets**

Other fixed assets are stated at cost.

**Housing Association Grant and other grants**

Housing Association Grant and other grants received as a contribution towards the capital costs of housing properties of the Association are set against the capital cost of these properties. Housing Association Grant received against revenue expenditure is credited to revenue in the period in which the related expenditure is charged.

Such grants, although treated as a grant for accounting purposes, may be repayable under certain circumstances, primarily following the sale of housing property, but any amount repayable would be restricted to the net proceeds of the sale.

**Depreciation and Impairment****Housing properties**

Housing properties are split between land, structure and major components which require periodic replacement. Replacement or refurbishment of such major components is capitalised and depreciation over the estimated useful life which has been set taking into account professional guidance and the group's asset management strategy. In determining the remaining useful lives for the housing stock, the group has taken account of views provided by both internal and external professional sources.

Freehold land is not subject to depreciation. Depreciation is charged so as to write down the cost or valuation (net of Housing Association Grant, and other capital grants) of the freehold housing properties and major components on a straight line basis over their expected use economic lives.

## Notes to the financial statements for the year ended 31 March 2014

### 1 Accounting policies (continued)

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

Main fabric	50-80 years
Roof structure and coverings	50-80 years
Windows and external doors	27 years
Heating system boilers	17 years
Kitchens	20 years
Bathrooms	27 years
Mechanical systems (heating, ventilation, plumbing)	20 years
Electrics	32 years
Lift	20 years

Housing assets are depreciated in the month of acquisition, or in the case of a larger project, from the month of completion. Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down would be charged to operating surplus unless it was a reversal of a past revaluation surplus in which case it would be taken to the statement of total recognised gains and losses.

#### Other fixed assets

Depreciation of other fixed assets is charged on a straight-line basis over the estimated useful economic lives of the assets at the following annual rates:

Freehold buildings	-	2% on cost
Office furniture and fittings	-	10% to 20% on cost
Motor vehicles	-	25% on cost
Fixed assets related to property	-	10% on cost

#### Foreign currencies

Transactions and non monetary assets, denominated in foreign currencies, are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or the exchange rate of a related foreign exchange contract where relevant. The resulting exchange gains or losses are dealt with in the income and expenditure account.

#### Mortgages

Amounts due in respect of mortgages on assets vested in the company under the capital loan and subsidy scheme and capital assistance scheme are shown as liabilities in the balance sheet.

In the case of assets acquired under the capital loan and subsidy scheme, repayments of mortgage amounts (together with interest on the mortgages) are met entirely by Government sources. Accordingly the capital sums due are amortised in accordance with Dundalk Town Council, over 30 years on a straight line basis, and a corresponding credit made to the income and expenditure account.

Similarly with the capital assistance schemes the capital sums due are amortised on a straight line basis over 30 years and a corresponding credit made to the income and expenditure account. As the company does not pay interest in respect of the mortgages they are treated as interest free.

#### Development allowances

Development allowances on capital assistance scheme houses, representing 1½% of scheme costs, are credited to the income and expenditure account in the period to which they relate.

**Notes to the financial statements for the year ended 31 March 2014****1 Accounting policies (continued)****Disposal proceeds fund**

The net surpluses, after loan repayments, that arise from the sale of property to tenants under the voluntary purchase grant arrangements instituted by the Department for Social Development can be used by the Association to fund works on property that would not be eligible for housing association grant or in certain circumstances, attract loan finance.

If the surpluses are not used within two years of their receipt they may be payable in part or in full to the Department for Social Development.

**Revenue reserves**

The Association's policy is to retain a level of revenue reserves which reflects its needs at the current time and in the foreseeable future. The reserves required are sufficient to meet committed running costs for a period equivalent to nine months budgeted future expenditure. The Board of Management will review the adequacy of the revenue reserves level on an annual basis.

**Designated reserves - reserve for future investment in housing property**

All other reserves are treated as designated reserves as they are required to fund the Association's investment in house properties and thus are not available for general use. The policy relating to reserves is reviewed annually. On an ongoing basis the Board of Management aims to generate a revenue surplus on operations which will allow for the augmentation of the Association's designated reserves.

In previous years the Association designated reserves as follows:

**(a) Cyclical maintenance**

The Association's obligations in respect of cyclical maintenance are reflected by way of amounts appropriated from revenue to designated reserves, such appropriation being based on maintenance allowances specified by the Department for Social Development. Cyclical maintenance expenditure is charged to revenue and amounts equivalent to this expenditure released from designated reserve to revenue reserve.

**(b) Major repairs**

The amount appropriated to designated reserves of the Association in respect of major repairs is calculated in accordance with the Rent Surplus Fund (Northern Ireland) Determination 1992 in respect of traditionally funded schemes only. Expenditure when incurred is deducted from the accumulated designated reserve balance.

**(c) Scheme furniture and equipment**

Included in the service charge to tenants is their contribution towards the cost of renewing scheme furniture and equipment. The Association holds these contributions from tenants in a designated reserve for furniture and equipment replacement against which renewals are charged. The contribution amounts are determined by reference to the current estimated cost of renewing these assets and their estimated useful lives.

**Pensions**

The Association participates in a defined benefit pension scheme for a number of employees. Contributions to this scheme are charged to income and expenditure when they fall due as referred to in note 30.

**2 Analysis of turnover**

Turnover and results relate to the Group's main activities which are carried out in the United Kingdom and the Republic of Ireland. Turnover represents rental and service charge income and residential charges for Housing with Care, net of voids. It also includes income arising on the lease of a property to a related company, services provided to other Housing Associations and Special Needs Management Allowance (interim protection) received for the provision of housing with care.

Notes to the financial statements for the year ended 31 March 2014

**3 Operating costs**

	Group		Association	
	2014	2013	2014	2013
	£	£	£	£
Direct costs	<b>10,763,780</b>	9,839,709	<b>10,992,845</b>	10,066,787
Administrative expenses	<b>2,525,076</b>	2,713,642	<b>2,502,893</b>	2,154,243
	<b>13,288,856</b>	12,553,351	<b>13,495,738</b>	12,221,030

**4 Operating surplus**

	Group		Association	
	2014	2013	2014	2013
	£	£	£	£
<b>This is stated after charging/(crediting):</b>				
Staff costs (note 5)	<b>4,172,925</b>	3,709,820	<b>4,172,925</b>	3,615,669
Depreciation	<b>2,232,795</b>	2,057,459	<b>2,232,795</b>	1,787,388
Release of capital grant	(777)	(777)	(777)	(777)
Mortgage amortisation	-	(394,970)	-	-
Foreign exchange loss	-	305	-	-
Auditors' remuneration				
- audit services	<b>16,867</b>	24,027	<b>10,787</b>	14,290
- non-audit services	<b>14,401</b>	13,600	<b>6,658</b>	600

**5 Employee information**

	Group		Association	
	2014	2013	2014	2013
	£	£	£	£
<b>Staff costs</b>				
Wages and salaries	<b>3,726,278</b>	3,329,240	<b>3,726,278</b>	3,249,184
Social security costs	<b>268,708</b>	239,954	<b>268,708</b>	231,257
Other pension costs	<b>177,939</b>	140,626	<b>177,939</b>	135,228
	<b>4,172,925</b>	3,709,820	<b>4,172,925</b>	3,615,669

	Number	Number	Number	Number
<b>Average monthly number of persons employed during the financial year by activity:</b>				
Administration	<b>92</b>	81	<b>92</b>	79
Scheme co-ordinators and ancillary staff	<b>88</b>	88	<b>88</b>	88
Supported housing	<b>57</b>	56	<b>57</b>	56
	<b>237</b>	225	<b>237</b>	223

Notes to the financial statements for the year ended 31 March 2014

**6 Directors' emoluments**

The remuneration of directors (defined as the Board of Management and the Management Team of the Association) during the year was:

	Group		Association	
	2014	2013	2014	2013
		£		£
Aggregate emoluments	<b>397,005</b>	421,399	<b>397,005</b>	421,399
Pension contributions	<b>55,282</b>	51,525	<b>55,282</b>	51,525
	<b>452,287</b>	472,924	<b>452,287</b>	472,924

Members of the Board of Management serve in a voluntary capacity and none were in receipt of emoluments during the year. The Board and Committee members were reimbursed for expenses totalling £3,212 during the year (2013: £3,985).

The emoluments to the highest paid Director (currently included within the above table) are as follows:

	Group		Association	
	2014	2013	2014	2013
	£	£	£	£
Aggregate emoluments	<b>104,084</b>	101,907	<b>104,084</b>	101,907
Pension contributions to money purchase schemes	<b>10,949</b>	10,734	<b>10,949</b>	10,734
	<b>115,033</b>	112,641	<b>115,033</b>	112,641

The number of directors to whom emoluments were paid during the year fall within each of the following bands:

Salary Band:	Group		Association	
	2014	2013	2014	2013
	No	No	No	No
£100,000 - £105,000	<b>1</b>	1	<b>1</b>	1
£70,000 - £75,000	<b>2</b>	1	<b>2</b>	1
£65,000 - £70,000	<b>1</b>	2	<b>1</b>	2
£60,000 - £65,000	<b>-</b>	1	<b>-</b>	1
£50,000 - £55,000	<b>1</b>	1	<b>1</b>	1
£25,000 - £30,000	<b>1</b>	-	<b>1</b>	-
Not more than £5,000	<b>1</b>	-	<b>1</b>	-
	<b>7</b>	6	<b>7</b>	6

**Notes to the financial statements for the year ended 31 March 2014**
**7 Exceptional item**

During the year ended 31 March 2014 Clanmil Housing Association Limited lost control of its voting rights in Clanmil Housing Association Ireland Limited and therefore has deconsolidated the results and financial position of Clanmil Housing Association Ireland Limited from the date that control was lost. The resulting transfer on deconsolidation, which represents the net assets of Clanmil Housing Association Ireland Limited as at the date that control was lost, was £2,410,398.

**8 Transfer to disposal proceeds fund**

	Group		Association	
	2014	2013	2014	2013
	£	£	£	£
Proceeds of disposal	<b>22,725</b>	24,624	<b>22,725</b>	24,624
Depreciation on properties disposed	<b>(4,012)</b>	(2,013)	<b>(4,012)</b>	(2,013)
Transfer to disposal proceeds fund (note 16)	<b>18,713</b>	22,611	<b>18,713</b>	22,611

Other disposals of housing property which occurred in 2014 and 2013 are not required to be transferred to the disposal proceeds fund.

**9 Interest receivable and similar income**

	Group		Association	
	2014	2013	2014	2013
	£	£	£	£
Interest receivable	<b>64,014</b>	53,829	<b>64,014</b>	53,633

**10 Interest payable and similar charges**

	Group		Association	
	2014	2013	2014	2013
	£	£	£	£
Housing property loans	<b>3,012,761</b>	2,199,757	<b>3,012,761</b>	2,199,757
Interest payable to DSD re HAG received in advance	<b>7,948</b>	21,260	<b>7,948</b>	21,260
Bank interest and charges	<b>2,518</b>	6,257	<b>2,518</b>	3,223
	<b>3,023,227</b>	2,227,274	<b>3,023,227</b>	2,224,240

## Notes to the financial statements for the year ended 31 March 2014

## 11 Tangible fixed assets - housing properties

Group	Cost £	Participants' Net Investment £	2014 Group Investment £	2013 £
<b>Cost</b>				
At 1 April 2013	697,793	774,639	322,809,067	297,687,284
Foreign exchange movements	-	-	-	134,983
Transfer on deconsolidation (note 7)	-	-	(13,014,681)	-
Additions	-	-	35,268,953	25,924,933
Disposals	-	-	(393,667)	(938,133)
<b>At 31 March 2014</b>	<b>697,793</b>	<b>774,639</b>	<b>344,669,672</b>	<b>322,809,067</b>
<b>Housing Association Grant and other grants</b>				
At 1 April 2013	-	-	220,799,969	210,118,806
Additions	-	-	17,964,261	11,408,231
Disposals	-	-	(293,917)	(727,068)
<b>At 31 March 2014</b>	<b>-</b>	<b>-</b>	<b>238,470,313</b>	<b>220,799,969</b>
<b>Depreciation</b>				
At 1 April 2013	16,686	-	6,426,221	4,570,492
Foreign exchange movements	-	-	-	14,565
Transfer on deconsolidation (note 7)	-	-	(901,334)	-
Charge for the year	20,808	-	2,046,886	1,917,067
Disposals	-	-	(10,007)	(75,903)
<b>At 31 March 2014</b>	<b>37,494</b>	<b>-</b>	<b>7,561,766</b>	<b>6,426,221</b>
<b>Net book amount comprises:</b>				
- Freehold property			<b>75,907,485</b>	73,364,569
- Long leasehold property			<b>22,730,108</b>	22,218,308
			<b>98,637,593</b>	95,582,877
<b>Net book amount comprises:</b>				
- Completed schemes			<b>88,150,000</b>	90,081,454
- Properties under construction			<b>10,487,593</b>	5,501,423
			<b>98,637,593</b>	95,582,877



Notes to the financial statements for the year ended 31 March 2014

11 Tangible fixed assets - housing properties (continued)

Association	Cost	Participants' Net Investment	2014 Association Investment	2013
	£	£	£	£
<b>Cost</b>				
At 1 April 2013	697,793	774,639	309,794,386	285,253,874
Additions	-	-	35,268,953	25,473,003
Disposals	-	-	(393,667)	(932,491)
<b>At 31 March 2014</b>	<b>697,793</b>	<b>774,639</b>	<b>344,669,672</b>	<b>309,794,386</b>
<b>Housing Association Grant and other grants</b>				
At 1 April 2013	-	-	220,799,969	210,118,806
Additions	-	-	17,964,261	11,408,231
Disposals	-	-	(293,917)	(727,068)
<b>At 31 March 2014</b>	<b>-</b>	<b>-</b>	<b>238,470,313</b>	<b>220,799,969</b>
<b>Depreciation</b>				
At 1 April 2013	16,686	-	5,524,887	3,952,156
Charge for the year	20,808	-	2,046,886	1,647,732
Disposals	-	-	(10,007)	(75,001)
<b>At 31 March 2014</b>	<b>37,494</b>	<b>-</b>	<b>7,561,766</b>	<b>5,524,887</b>
<b>Net book amount comprises:</b>				
- Freehold property			<b>75,907,485</b>	65,542,136
- Long leasehold property			<b>22,730,108</b>	17,927,394
			<b>98,637,593</b>	83,469,530
<b>Net book amount comprises:</b>				
- Completed schemes			<b>88,150,000</b>	77,968,107
- Properties under construction			<b>10,487,593</b>	5,501,423
			<b>98,637,593</b>	83,469,530

Notes to the financial statements for the year ended 31 March 2014

12 Other tangible fixed assets

Group	Freehold buildings £	Office furniture and equipment £	Fixed asset property £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2013	2,477,778	806,300	7,600	60,630	3,352,308
Transfer on deconsolidation (note 7)	-	(17,891)	-	-	(17,891)
Additions	14,668	290,208	-	-	304,876
Disposals	-	(212,926)	-	-	(212,926)
<b>At 31 March 2014</b>	<b>2,492,446</b>	<b>865,691</b>	<b>7,600</b>	<b>60,630</b>	<b>3,426,367</b>
<b>Depreciation</b>					
At 1 April 2013	775,161	455,147	7,600	60,630	1,298,538
Transfer on deconsolidation (note 7)	-	(13,980)	-	-	(13,980)
Charge for year	65,667	120,242	-	-	185,909
Disposals	-	(198,594)	-	-	(198,594)
<b>At 31 March 2014</b>	<b>840,828</b>	<b>362,815</b>	<b>7,600</b>	<b>60,630</b>	<b>1,271,873</b>
<b>Net book amount</b>					
<b>At 31 March 2014</b>	<b>1,651,618</b>	<b>502,876</b>	<b>-</b>	<b>-</b>	<b>2,154,494</b>
At 31 March 2013	1,702,617	351,153	-	-	2,053,770
<b>Association</b>					
	Freehold buildings £	Office furniture and equipment £	Fixed asset property £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2013	2,477,778	788,409	7,600	60,630	3,334,417
Additions	14,668	290,208	-	-	304,876
Disposals	-	(212,926)	-	-	(212,926)
<b>At 31 March 2014</b>	<b>2,492,446</b>	<b>865,691</b>	<b>7,600</b>	<b>60,630</b>	<b>3,426,367</b>
<b>Depreciation</b>					
At 1 April 2013	775,161	441,167	7,600	60,630	1,284,558
Charge for year	65,667	120,242	-	-	185,909
Disposals	-	(198,594)	-	-	(198,594)
<b>At 31 March 2014</b>	<b>840,828</b>	<b>362,815</b>	<b>7,600</b>	<b>60,630</b>	<b>1,271,873</b>
<b>Net book amount</b>					
<b>At 31 March 2014</b>	<b>1,651,618</b>	<b>502,876</b>	<b>-</b>	<b>-</b>	<b>2,154,494</b>
At 31 March 2013	1,702,617	347,242	-	-	2,049,859

**Notes to the financial statements for the year ended 31 March 2014**

**13 Investments - Association**

	<b>2014</b>	2013
	<b>Subsidiary Undertaking</b>	Subsidiary Undertaking
	<b>£</b>	£
<b>Cost</b>	<b>30,002</b>	5,002

The investment represents the Association's holding in wholly owned subsidiary companies, Clanmil Properties Limited, Milbreen Limited and Clanmil Developments Limited. The £25,000 addition in the year relates to an increase in share capital of Clanmil Developments Limited.

The Association also controls Skerry Court Management Services Limited, Springfield Mill Management Company (Belfast) Limited and Curzon Management Company Limited which were dormant throughout the year and have a carrying value of £Nil (2013: £Nil).

**14 Debtors**

	<b>Group</b>		<b>Association</b>	
	<b>2014</b>	2013	<b>2014</b>	2013
	<b>£</b>	£	<b>£</b>	£
Rental Debtors Gross – Technical	<b>517,081</b>	260,547	<b>517,081</b>	260,547
Rental Debtors Gross – Non-technical	<b>505,394</b>	491,536	<b>505,394</b>	424,436
Provision for bad debts	<b>(294,675)</b>	(325,097)	<b>(294,675)</b>	(283,900)
Net rental (including rates, service charges) debtors	<b>727,800</b>	426,986	<b>727,800</b>	401,083
Other Debtors	<b>1,241,617</b>	449,146	<b>1,039,572</b>	128,450
Prepayments and accrued income	<b>1,867,314</b>	3,297,026	<b>1,212,976</b>	345,712
Housing Association Grant receivable	<b>7,107,540</b>	9,927,395	<b>7,107,540</b>	9,927,395
Amounts owed by subsidiary undertakings(note 33)	-	-	<b>467,393</b>	3,373,171
Amounts owed by related undertakings (note 33)	-	-	<b>23,534</b>	-
	<b>10,944,271</b>	14,100,553	<b>10,578,815</b>	14,175,811

**15 Cash at bank and in hand**

	<b>Association</b>	
	<b>2014</b>	2013
	<b>£</b>	£
Funds received from DSD – Affordable Homes Loan Funding	<b>3,206,591</b>	1,984,000
Funds received from DSD – Empty Homes Loan Funding	<b>3,700,000</b>	-
Other cash balances held short term	<b>1,240,177</b>	381,163
	<b>8,146,768</b>	2,365,163

The funds received from DSD are being temporarily held pending utilisation in accordance with the terms of the Financial Assistance Agreements.

Notes to the financial statements for the year ended 31 March 2014

**16 Creditors: amounts falling due within one year**

	Group		Association	
	2014	2013	2014	2013
	£	£	£	£
Bank loans (Note 18)	1,863,827	1,627,680	1,863,827	1,627,680
DSD loans (Note 18)	94,545	92,288	94,545	92,288
Other taxes and social security	90,679	81,403	80,169	71,277
Rent, rates and service charges received in advance	244,183	163,892	244,183	154,190
Housing Association Grant in advance	3,921,110	10,495,384	3,921,110	10,495,384
Deferred historic building grant	27,330	28,107	27,330	28,107
Other creditors	5,039,971	3,675,780	4,501,027	2,782,730
Amounts owed to subsidiary undertakings	-	-	5,613	38,649
Services equalisation account	356,954	226,947	356,954	227,747
Accruals and deferred income	6,319,580	5,736,855	6,160,388	6,001,183
Disposal proceeds fund	262,275	239,664	262,275	239,664
	<b>18,220,454</b>	<b>22,368,000</b>	<b>17,517,421</b>	<b>21,758,899</b>

**17 Creditors: amounts falling due after more than one year**

	Group		Association	
	2014	2013	2014	2013
	£	£	£	£
Bank loans (Note 18)	71,969,047	55,491,467	71,969,047	55,491,467
DSD loans (Note 18)	3,954,963	842,917	3,954,963	842,917
Disposal proceeds fund	18,713	22,611	18,713	22,611
Mortgage liability	-	9,941,001	-	-
	<b>75,942,723</b>	<b>66,297,996</b>	<b>75,942,723</b>	<b>56,356,995</b>

The surplus on the disposal proceeds fund must be used within two years of the sale of the property.

**18 Loans**

	Group		Association	
	2014	2013	2014	2013
	£	£	£	£
<b>Bank loans - Housing property and other loans</b>				
Less than one year, or on demand (Note 16)	1,863,827	1,627,680	1,863,827	1,627,680
Between one and two years	1,876,346	16,136,510	1,876,346	16,136,510
Between two and five years	15,289,063	13,816,202	15,289,063	13,816,202
After more than five years	54,803,638	25,538,755	54,803,638	25,538,755
	<b>73,832,874</b>	<b>57,119,147</b>	<b>73,832,874</b>	<b>57,119,147</b>

Notes to the financial statements for the year ended 31 March 2014

18 Loans (continued)

Security

The Danske Bank holds a mortgage over Northern Whig House and the related housing properties as security for its variable and fixed rate bank loans.

The First Trust and Barclays loans are secured by way of mortgages upon the deeds of the related housing properties and bear interest at fixed and variable rates.

The Housing Finance Corporation loans are secured by way of mortgages upon the deeds of the related housing properties and bear interest at fixed rates of 4.525% and 4.319%.

	Group		Association	
	2014	2013	2014	2013
	£	£	£	£
<b>Department for Social Development - Housing Property Loans</b>				
Less than one year (Note 16)	94,545	92,288	94,545	92,288
Between one and two years	133,217	94,545	133,217	94,545
Between two and five years	480,793	297,186	480,793	297,186
After more than five years	3,340,953	451,186	3,340,953	451,186
	<b>4,049,508</b>	935,205	<b>4,049,508</b>	935,205

Security

The loans from the Department for Social Development bear interest at rates ranging between Nil% and 15.375%.

19 Called up share capital

	Group		Association	
	2014	2013	2014	2013
	£	£	£	£
<b>Ordinary shares of £1 each, fully paid</b>				
At 1 April 2013	20	20	20	20
Allotted during the year	2	1	2	1
Transfer to capital reserve	-	(1)	-	(1)
<b>At 31 March 2014</b>	<b>22</b>	20	<b>22</b>	20

20 Capital reserve

	Group		Association	
	2014	2013	2014	2013
	£	£	£	£
At 1 April 2013	9	8	9	8
Transfer from share capital	-	1	-	1
<b>At 31 March 2014</b>	<b>9</b>	9	<b>9</b>	9

Notes to the financial statements for the year ended 31 March 2014

**21 Mortgage amortisation reserve - Group**

	£
At 1 April 2013	2,703,388
Transfer on consolidation (note 7)	(2,703,388)
<b>At 31 March 2014</b>	<b>-</b>

**22 Designated reserves – Group**

	Major Repairs £	Cyclical repairs £	Reserve for future investment in housing property £	Total £
At 1 April 2013	354,444	80,650	12,449,442	12,884,536
Transfer on deconsolidation (note 7)	(354,444)	(80,650)	-	(435,094)
Transfer to revenue reserves	-	-	(361,945)	(361,945)
<b>At 31 March 2014</b>	<b>-</b>	<b>-</b>	<b>12,087,497</b>	<b>12,087,497</b>

**Designated reserves – Association**

	Reserve for future investment in housing property £
At 1 April 2013	12,449,442
Transfers to revenue reserves	(361,945)
<b>At 31 March 2014</b>	<b>12,087,497</b>

**23 Reconciliation of movements in funds**

	Group		Association	
	2014 £	2013 £	2014 £	2013 £
(Deficit)/surplus on ordinary activities before taxation	(259,113)	1,854,000	2,138,055	1,637,477
Taxation	(1,635)	-	-	-
Allotment of share capital	2	1	2	1
Translation loss	-	29,817	-	-
Opening funds	26,340,187	24,456,369	23,949,471	22,311,993
<b>Closing funds</b>	<b>26,079,441</b>	<b>26,340,187</b>	<b>26,087,528</b>	<b>23,949,471</b>

## Notes to the financial statements for the year ended 31 March 2014

**24 Net cash inflow from operating activities**

	2014 £	2013 £
Operating surplus	5,159,970	4,131,557
Movement in service charges equalisation account	129,206	(201,148)
Depreciation charge	2,232,795	2,057,459
Taxation	(1,635)	-
Amortisation of mortgages	-	(394,970)
Release of capital grant	(777)	(777)
Write off of other fixed assets	(39,152)	-
Movement in debtors	3,972,453	(3,242,485)
Movement in creditors	(229,252)	3,151,083
Movement in foreign exchange on translation	-	4,717
<b>Net cash inflow from operating activities</b>	<b>11,223,608</b>	<b>5,505,436</b>

**25 Analysis of net debt**

	1 April 2013 £	Cash flow £	Non-cash changes £	31 March 2014 £
Cash at bank and in hand	3,268,983	5,237,277	-	8,506,260
	3,268,983	5,237,277	-	8,506,260
Debt due after one year	(56,334,384)	-	(19,589,626)	(75,924,010)
Debt due within one year	(1,719,968)	(19,828,030)	19,589,626	(1,958,372)
	(54,785,369)	(14,590,753)	-	(69,376,122)

**26 Reconciliation of net cash flow to movement in net debt**

	2014 £	2013 £
Increase in cash in financial year	5,237,277	1,906,968
Repayment of loans	31,506,661	4,478,629
New loans	(51,334,691)	(14,451,000)
Movement in net debt in the financial year	(14,590,753)	(8,065,403)
Net debt at 1 April	(54,785,369)	(46,719,966)
<b>Net debt at 31 March</b>	<b>(69,376,122)</b>	<b>(54,785,369)</b>

Notes to the financial statements for the year ended 31 March 2014

**27 Turnover, operating costs and operating surplus - Association**

Turnover, operating costs and operating surplus	Operating Turnover £	2014 Operating Costs £	Operating Surplus £	2013 Operating Surplus £
Social Housing Activities	18,327,332	13,336,815	4,990,517	3,727,689
Non-Social Housing Activities	315,146	158,923	156,223	179,768
<b>Total</b>	<b>18,642,478</b>	<b>13,495,738</b>	<b>5,146,740</b>	<b>3,907,457</b>

**28 Housing Stock - Association**

Number of units owned on 31 March	2014	2013
General needs housing	2,007	1,870
Independent living/ housing for older people (including resident scheme co-ordinator)	1,321	1,260
Supported housing (including housing with care)	187	171
Affordable housing (part owned with participants)	14	14
<b>Total owned</b>	<b>3,529</b>	<b>3,315</b>

**Number of units managed by (but not owned) on 31 March**

General needs housing	33	33
<b>Total units owned and managed at 31 March</b>	<b>3,562</b>	<b>3,348</b>



Notes to the financial statements for the year ended 31 March 2014

29 Turnover, operating costs and operating surplus or deficit from social housing activities - Association

								2014	2013
	General Needs Housing	Independent Living/ Housing for Older People	Residential Care Homes	Supported Housing	Total Social Housing	Other Income	Total	Total	
	£	£	£	£	£	£	£	£	
<b><i>Income from Social Housing Lettings</i></b>									
Rent receivable net of service charges	9,601,941	4,595,489	1,005,138	224,661	15,427,229	30,665	<b>15,457,894</b>	13,093,482	
Service charges receivable	566,456	2,473,913	-	262,617	3,302,986	-	<b>3,302,986</b>	3,019,218	
Other	-	-	125,937	-	125,937	284,481	<b>410,418</b>	463,954	
<b>Gross Income from rents and service charges</b>	<b>10,168,397</b>	<b>7,069,402</b>	<b>1,131,075</b>	<b>487,278</b>	<b>18,856,152</b>	<b>315,146</b>	<b>19,171,298</b>	16,576,654	
Less voids	(177,923)	(162,405)	(64,459)	(12,410)	(417,197)	-	<b>(417,197)</b>	(356,855)	
Bad debts (rent and service charges)	(94,068)	(15,844)	-	(1,711)	(111,623)	-	<b>(111,623)</b>	(91,312)	
<b>Net Income from rents and service charges</b>	<b>9,896,406</b>	<b>6,891,153</b>	<b>1,066,616</b>	<b>473,157</b>	<b>18,327,332</b>	<b>315,146</b>	<b>18,642,478</b>	16,128,487	
<b><i>Operating Costs</i></b>									
Services	544,141	1,790,122	314,325	136,360	2,784,948	-	<b>2,784,948</b>	2,524,070	
Supporting People costs	-	649,096	-	116,005	765,101	-	<b>765,101</b>	788,253	
Care costs	-	-	410,122	-	410,122	-	<b>410,122</b>	384,956	
Management costs	982,772	684,412	228,173	63,572	1,958,929	634	<b>1,959,563</b>	1,515,865	
Maintenance administration costs	427,618	278,680	-	29,535	735,833	-	<b>735,833</b>	572,271	
Planned and cyclical maintenance	397,770	379,972	-	70,294	848,036	-	<b>848,036</b>	830,629	
Reactive maintenance	1,103,144	772,203	84,561	72,998	2,032,906	-	<b>2,032,906</b>	2,221,193	
Major repairs	90,173	24,227	-	938	115,338	-	<b>115,338</b>	120,132	
Depreciation of social housing	1,305,632	699,514	5,536	25,268	2,035,950	10,934	<b>2,046,884</b>	1,647,730	
Rates payable	1,155,112	492,868	-	1,672	1,649,652	-	<b>1,649,652</b>	1,449,094	
Depreciation of non-social housing assets	-	-	-	-	-	135,146	<b>135,146</b>	101,382	
Development costs written off	-	-	-	-	-	12,209	<b>12,209</b>	65,455	
<b>Total Operating Costs</b>	<b>6,006,362</b>	<b>5,771,094</b>	<b>1,042,717</b>	<b>516,642</b>	<b>13,336,815</b>	<b>158,923</b>	<b>13,495,738</b>	12,221,030	
<b>Operating Surplus/(Deficit)</b>	<b>3,890,044</b>	<b>1,120,059</b>	<b>23,899</b>	<b>(43,485)</b>	<b>4,990,517</b>	<b>156,223</b>	<b>5,146,740</b>	3,907,457	

Notes to the financial statements for the year ended 31 March 2014

29 Turnover, operating costs and operating surplus or deficit from social housing activities – Association (continued)

							2014	2013
	General Needs Housing	Independent Living/ Housing for Older People	Residential Care Homes	Supported Housing	Total Social Housing	Other Income	Total	Total
	£	£	£	£	£	£	£	£
Surplus/(deficit) on disposal of fixed assets	(7,462)	(9,104)	-	139	(16,427)	(14,332)	<b>(30,759)</b>	(76,762)
Transfer to disposal proceeds fund	(18,713)	-	-	-	(18,713)	-	<b>(18,713)</b>	(22,611)
Interest payable	(2,505,968)	(461,408)	-	(53,333)	(3,020,709)	(2,518)	<b>(3,023,227)</b>	(2,224,240)
Interest receivable and other income	-	-	-	-	-	64,014	<b>64,014</b>	53,633
<b>Surplus/(deficit) on ordinary activities</b>	<b>1,357,901</b>	<b>649,547</b>	<b>23,899</b>	<b>(96,679)</b>	<b>1,934,668</b>	<b>203,387</b>	<b>2,138,055</b>	1,637,477
Transfers from/(to)designated reserves							<b>361,945</b>	(1,570,056)
Retained surplus for the financial year							<b>2,500,000</b>	67,421
<b>DSD Allowances</b>								
Management allowances	777,348							681,120
Management costs	(982,772)							(770,442)
<b>Deficit</b>	<b>(205,424)</b>							(89,322)
<b>Maintenance Allowances</b>	<b>956,168</b>							840,023
Planned and cyclical maintenance	(397,770)							(402,532)
Reactive maintenance	(1,103,144)							(1,183,605)
<b>Deficit</b>	<b>(544,746)</b>							(746,114)
<b>Gross Income from Rents and service charges</b>								
Technical	12,961,022							11,279,265
Non Technical	5,895,130							4,943,425
<b>Total</b>	<b>18,856,152</b>							16,222,690

Note that the Association operates a rent pooling policy. This can impact on the assessment of surplus or deficit arising from a particular type of housing activity.

**Notes to the financial statements for the year ended 31 March 2014****30 Pension commitments**

The Association participates in the Social Housing Pension Scheme (SHPS). The Scheme is funded and is contracted out of the State Pension scheme.

SHPS is a multi-employer defined benefit scheme. Employer participation in the Scheme is subject to adherence with the employer responsibilities and obligations as set out in the "SHPS House Policies and Rules Employer Guide".

The Scheme operated a single benefit structure, final salary with a 1/60<sup>th</sup> accrual rate until 31 March 2007. From April 2007 there are three benefit structures available, namely:

Final salary with a 1/60<sup>th</sup> accrual rate.

Final salary with a 1/70<sup>th</sup> accrual rate.

Career average revalued earnings (CARE) with a 1/60<sup>th</sup> accrual rate.

From April 2010 a further two benefit structures have been available, namely:

Final salary with a 1/80<sup>th</sup> accrual rate.

Career average revalued earnings (CARE) with a 1/80<sup>th</sup> accrual rate.

A defined contribution benefit structure was made available from 1 October 2010.

An employer can elect to operate different benefit structures for their active members and their new entrants. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

The Association has elected to operate the final salary with a 1/60<sup>th</sup> accrual rate and the defined contribution benefit structures for active members and new entrants.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due. From April 2007 the split of the total contribution rate between member and employer is set at individual employer level, subject to the employer paying no less than 50% of the total contribution rate. From 1 April 2010 the requirement for employers to pay at least 50% of the total contribution rate no longer applies.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period the Association paid contributions at the rate of 16.61%. Member contributions varied between 7.95% and 9.95% dependent on their age.

As at the balance sheet date there were 39 active members of the Scheme employed by the Association. The annual pensionable payroll in respect of these members was £951,086. The Association continues to offer membership of the Scheme to its employees.

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.

Notes to the financial statements for the year ended 31 March 2014

30 Pension commitments (continued)

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 has prepared an Actuarial Report that provides an approximate update of the funding position of the scheme as at 30 September 2013. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The market value of the Scheme’s assets at the date of the Actuarial Report was £2,718 million. The Actuarial Report revealed a shortfall of assets compared to the value of liabilities of £1,151 million, equivalent to a past service funding level of 70%.

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% pa
<b>Valuation discount rates:</b>	
- Pre retirement	7.0
- Non pensioner post retirement	4.2
- Pensioner post retirement	4.2
- Pensionable earnings growth	2.5 per annum for 3 years then 4.4
- Price inflation (RPI)	2.9
<b>Pension increases</b>	
- Pre 88 GMP	0.0
- Post 88 GMP	2.0
- Excess over GMP	2.4

Expenses for death in service insurance, administration and Pension Protection Fund (PPF) levy are included in the contribution rate.

The valuation was carried out using the following demographic assumptions:

Mortality pre-retirement – 41% SAPS S1 Male / Female All Pensioners (amounts), Year of Birth, CMI\_2009 projections with long term improvement rates of 1.5% p.a. for Males and 1.25% p.a. for Females.

Mortality-post retirement – 97% SAPS S1 Male / Female All Pensioners (amounts), Year of Birth, CMI\_2009 projections with long term improvement rates of 1.5% p.a. for Males and 1.25% p.a. for Females.

The long-term joint contribution rates required from April 2013 from employers and members to meet the cost of future benefit accrual were assessed at:

Benefit structure	Long-term joint contribution rate (% of pensionable salaries)
Final salary with a 1/60 <sup>th</sup> accrual rate	19.4
Final salary with a 1/70 <sup>th</sup> accrual rate	16.9
Career average revalued earnings (CARE) with a 1/60 <sup>th</sup> accrual rate	18.1
Final salary with a 1/80 <sup>th</sup> accrual rate	14.8
Career average revalued earnings (CARE) with a 1/80 <sup>th</sup> accrual rate	14.0
Career average revalued earnings (CARE) with a 1/120 <sup>th</sup> accrual rate	9.7

Notes to the financial statements for the year ended 31 March 2014

30 Pension commitments (continued)

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

Following consideration of the results of the actuarial valuation it was agreed that the shortfall of £1,035 million would be dealt with by the payment of deficit contributions as shown in the table below:

From 1 April 2013 to 30 September 2020	A cash amount(*) equivalent to 7.5% of Members' Earnings per annum (payable monthly and increasing by 4.7% per annum each 1 April)
From 1 October 2020 to 30 September 2023	A cash amount(*) equivalent to 3.1% of Members' Earnings per annum (payable monthly and increasing by 4.7% per annum each 1 April)
From 1 April 2013 to 30 September 2026	£30,640,000 per annum (payable monthly and increasing by 3% per annum each 1 April; first increase on 1 April 2014)

(\*) The contributions of 7.5% will be expressed in nominal pound terms (for each Employer), increasing each year in line with the Earnings growth assumption used in the 30 September 2008 valuation (i.e. 4.7% per annum). The contributions of 3.1% will be calculated by proportioning the nominal pound payment at the time of the change. Earnings at 30 September 2008 (for each Employer) will be used as the reference point for calculating these contributions.

These deficit contributions are in addition to the long-term joint contribution rates.

The next formal valuation of the Scheme will begin later this year and will give an update on the financial position as at 30 September 2014. The results of this valuation will be available in Spring 2016.

Employers that participate in the Scheme on a non-contributory basis pay a joint contribution rate (i.e. a combined employer and employee rate).

Employers that have closed the defined benefit section of the Scheme to new entrants are required to pay an additional employer contribution loading of 2.5% to reflect the higher costs of a closed arrangement.

A small number of employers are required to contribute at a different rate to reflect the amortisation of a surplus or deficit on the transfer of assets and past service liabilities from another pension scheme into SHPS.

New employers that do not transfer any past service liabilities to the Scheme pay contributions at the ongoing future service contribution rate. This rate is reviewed at each valuation and new employers joining the Scheme between valuations up until 1 April 2010 do not contribute towards the deficit until two valuations have been completed after their date of joining. New employers joining the Scheme after 1 April 2010 will be liable for past service deficit contributions from the valuation following joining. Contribution rates are changed on the 1 April that falls 18 months after the valuation date.

A copy of the recovery plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and / or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan).

As a result of pension scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

**Notes to the financial statements for the year ended 31 March 2014**

**30 Pension commitments (continued)**

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer’s share of the buy-out debt is the proportion of the Scheme’s liability attributable to employment with the leaving employer compared to the total amount of the Scheme’s liabilities (relating to employment with all the currently participating employers). The leaving employer’s debt therefore includes a share of any ‘orphan’ liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Association has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Social Housing Pension Scheme based on the financial position of the Scheme as at 30 September 2013. As of this date the estimated employer debt for the Association was £3,541,064

**31 Contingent liabilities**

The Association released Housing Association Grant of £220,923 during the year in relation to building components replaced arising from planned maintenance works. The accumulated position of total Housing Association Grant received at 31 March 2014 is £864,041. The possibility of any reimbursement to the Department for Social Development is considered to be unlikely as the housing properties are expected to continue to be made available for social housing for the foreseeable future.

**32 Capital commitments - Housing Properties – Association**

	2014	2013
	£	£
<b>Capital expenditure</b>		
Contracted for but not provided in the financial statements	<b>8,230,344</b>	22,245,597

The Association anticipates that this expenditure will be funded by Housing Association Grant from the Department for Social Development and by private finance, both external and intern

**Notes to the financial statements for the year ended 31 March 2014**

**33 Related party disclosures**

Details of the subsidiaries are disclosed in Note 13. The balances with the subsidiaries at the year end were as follows:

	2014	2013
	£	£
<b>Amounts owed by subsidiary undertakings</b>		
Clanmil Properties Limited	49,125	74,134
Clanmil Developments Limited	412,655	3,235,735
<b>Amounts owed by related undertakings</b>		
Clanmil Housing Association Ireland Limited	23,534	24,653

Transactions between these related parties during the year were as follows:

	2014	2013
	£	£
<b>Clanmil Properties Limited</b>		
Rent charge from Clanmil Housing Association Limited to Clanmil Properties Limited	114,461	112,516
Management and administration charge from Clanmil Housing Association Limited to Clanmil Properties Limited	44,918	20,076
Contribution from Clanmil Properties Limited to Clanmil Housing Association Limited in respect of the insurance of Northern Whig House	2,866	2,799
Gift aid donation from Clanmil Properties Limited to Clanmil Housing Association Limited	54,738	94,176
Rent and service charges from Clanmil Properties Limited to Clanmil Housing Association Limited	117,627	101,865
<b>Clanmil Developments Limited</b>		
Management and administration charge from Clanmil Housing Association Limited to Clanmil Developments Limited	108,404	97,954
Charge from Clanmil Developments Limited to Clanmil Housing Association Limited for the provision of property development services	22,398,819	32,135,008
Charge from Clanmil Housing Association Limited to Clanmil Developments Limited for the provision of property development services	22,287,381	31,975,132
Gift aid donation from Clanmil Developments Limited to Clanmil Housing Association Limited	-	32,143
<b>Clanmil Housing Association Ireland Limited</b>		
Management and administration charge from Clanmil Housing Association Limited to Clanmil Housing Association Ireland Limited	23,534	26,632
Loan interest charged by Clanmil Housing Association Limited to Clanmil Housing Association Ireland Limited	-	7