



Blairtummock Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2020

Registered Social Landlord No. HCB216

FCA Reference No. 23544R(S)

Scottish Charity No. SCO36997

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS YEAR ENDED 31 MARCH 2020

Management Committee

Gary Wood	Chairperson
Margaret Pirrie	Secretary
Catherine Black	Treasurer
Tracey Slaven	
Yvonne Crockert	
John Wilkie	Leave of Absence
Thomas Smith	Leave of Absence
Elizabeth McGill	Leave of Absence
Catriona Jamieson	Joined September 2019
Lynn Blackwood	Joined September 2019
Donna Miller	Joined September 2019
Patricia Aitken	Left September 2019
Andrea McLachlan	Left September 2019
Lisa Hotchkiss	Left September 2019

EXECUTIVE OFFICERS

Jacqui O'Rourke	Director
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REGISTERED OFFICE

45 Boyndie Street
Glasgow
G34 9JL

EXTERNAL AUDITORS

Alexander Sloan
Accountants and Business Advisers
180 St Vincent Street
Glasgow
G2 5SG

INTERNAL AUDITORS

Alexander Sloan
Accountants & Business Advisers
180 St Vincent Street
Glasgow
G2 5SG

BANKERS

Clydesdale Bank PLC
47 Main Street
Ballieston
Glasgow
G68 6SQ

SOLICITOR

TC Young
7 West George Street
Glasgow
G2 1BA

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

The Management Committee presents its report and the Financial Statements for the year ended 31 March 2020.

Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No.23544R(S)), the Scottish Housing Regulator as a registered social landlord (No.HCB216) and as a registered Scottish Charity with the charity number SCO36997.

Principal Activities

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

Review of Business and Future Developments

The year to the 31st March 2020 has been extremely mixed not just for the Association but for the world, with Covid 19 changing everything we do.

We started the financial year on such a high as we were celebrating our 30th year as a Housing Association and we held a variety of events with Staff, Committee and residents to celebrate, all of which were very successful.

We also completed our kitchen and boiler contract, which included:

- 84 new kitchens
- 91 boilers being replaced
- 33 central heating systems installed

During the year we also:

- Carried out smoke/fire detection upgrades to 643 properties – due to Covid 19 we have had to put this work on hold but will resume as soon as possible
- Ensured that all stock continues to meet the Scottish Housing Quality Standard and Energy Efficiency for Scottish Social Housing
- Appointed Knowledge Partnership who carried out a face-to-face Tenant Satisfaction Survey
- Appointed North Star Consultancy who completed a Rent Harmonisation study
- Began a stock condition survey but this also had to be put on hold due to Covid 19.
- Put out a tender for backcourt improvement works in Area 1 and appointed architects for Area 2.

We also held a Staff and Committee away day, which allowed us to continue with the review of our Business Plan. The Management Committee of Blairtummock Housing Association continues to monitor all areas of the business, retains close control of the financial affairs and has reviewed investment and loans to ensure that the Association receives the best return for its investments in light of current low interest rates, which will also be impacted by Covid19. The Management Committee regularly reviews the medium and long-term financial projections to ensure the viability of the organisation.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

Review of Business and Future Developments (Continued)

Staff constantly monitor costs to ensure we are receiving value for money in relation to all aspects of the business. The Management Committee also ensure that the covenants which we agreed with our lenders and monitored and complied with.

Staff continue to closely monitor the impact of Universal Credit/Welfare Reform and reporting on this to the Management Committee. We have continued to work with our partners, GEMAP, and Connect to provide Welfare Rights to all tenants.

We constantly monitor and try to improve our performance in relation to the services we provide; we regularly review our performance against our peers. Our Tenant Satisfaction Survey showed:

- 91.7% of tenants are satisfied with overall service
- 96.9% of tenants felt we are good at keeping them informed about services and decisions
- 91% of tenants are satisfied with our repairs service
- 93.4% of tenants are satisfied with our management of the neighbourhood

We also performed well in relation to our repairs timescales and letting our void properties, we continued to provide new tenants with starter packs and decoration vouchers.

The Management Committee has also complied with all Scottish Housing Regulator, OSCR and FCA requirements.

Like many organisations, we have had to change how we work in relation to Covid 19 and we will continue to deal with the challenges, which it brings in order to provide the services our residents require. It is our intention to re-instate all services when it is safe to do so but our priority is the safety of Staff, Committee and all residents.

The members of the Management Committee are of the opinion that the state of the financial affairs of Blairtummock Housing Association are satisfactory. The surplus for the year is £859,386 and our net assets now stand at £11,065,906.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

Management Committee and Executive Officers

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

Each member of the Management Committee holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the Association's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Management Committee.

The members of the Management Committee are also Trustees of the charity. Members of the Management Committee are appointed by the members at the Association's Annual General

Statement of Management Committee's Responsibilities

The Co-operative and Community Benefit Act 2014 requires the Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those Financial Statements, the Management Committee is required to:-

- select suitable accounting policies and then apply them consistently;
- make 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;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business; and
- prepare a statement on Internal Financial Control.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019. It is responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

Going Concern

Based on its budgetary and forecasting processes the Management Committee has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future; therefore, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

Statement on Internal Financial Control

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

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

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

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

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2020. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Donations

During the year the Association made charitable donations amounting to £700 (2019 - £300).

Disclosure of Information to the Auditor

The members of the Management Committee at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. They confirm that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to auditors.

Auditors

A resolution to reappoint the Auditors, Alexander Sloan, Accountants and Business Advisers, will be proposed at the Annual General Meeting.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

By order of the Management Committee

Margaret Pirrie

MARGARET PIRRIE

Secretary

1/9/2020

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE MEMBERS OF BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on page 6 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements relating to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 6 has provided the disclosures required by the relevant Regulatory Standards with the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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

Alexander Sloan

ALEXANDER SLOAN

Accountants and Business Advisers
Statutory Auditors
GLASGOW
2/9/2020



Alexander Sloan
Accountants and Business Advisers

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Blairtummock Housing Association Limited (the 'Association') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2020 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019.

In our opinion the exemption granted by the Financial Conduct Authority from the requirement to prepare Group Accounts is applicable as the amounts involved are not material.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Management Committee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED (Continued)

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 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the Association in accordance with the requirements of the
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation;
- the Statement of Comprehensive Income and Statement of Financial Position are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Management Committee

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

In preparing the financial statements, the Management Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorresponsibilities>. This description forms part of our audit report.

Use of our Report

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alexander Sloan

ALEXANDER SLOAN

Accountants and Business Advisers
Statutory Auditors
GLASGOW
2/9/2020



BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Notes	£	2020 £	£	2019 £
Revenue	2		3,573,058		3,492,360
Operating costs	2		2,729,290		2,868,574
OPERATING SURPLUS			843,768		623,786
Gain on sale of housing stock	7	92,129		10,332	
Release of negative goodwill	14	27,622		27,622	
Interest receivable and other income		32,241		28,946	
Interest payable and similar charges	8	(121,391)		(142,269)	
Other Finance income/(charges)	11	(15,000)		(15,000)	
			15,601		(90,369)
Surplus on ordinary activities before taxation	9		859,369		533,417
Tax on surplus on ordinary activities	10		-		-
SURPLUS FOR THE YEAR			859,369		533,417
Other comprehensive income					
Adjustment relating to opening pension liability	21		-		(273,256)
Actuarial gains/(losses) on defined benefit pension plan	21		538,000		(130,000)
TOTAL COMPREHENSIVE INCOME			1,397,369		130,161

The results relate wholly to continuing activities.

The notes on pages 14 to 33 form an integral part of these financial statements.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Notes	£	2020 £	2019 £
NON-CURRENT ASSETS				
Housing properties - depreciated cost	12		23,264,516	23,539,818
Other tangible assets	12		1,040,283	1,067,088
			<u>24,304,799</u>	<u>24,606,906</u>
Negative goodwill	14		(1,229,416)	(1,257,038)
Receivables	15	82,833	162,033	
Investments	16	3,063,269	3,158,861	
Cash and cash equivalents	17	327,446	143,725	
		<u>3,473,548</u>	<u>3,464,619</u>	
CREDITORS: Amounts falling due within one year	18	(475,319)	(507,787)	
NET CURRENT ASSETS			<u>2,998,229</u>	<u>2,956,832</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			26,073,612	26,306,700
CREDITORS: Amounts falling due after more than one year	19		(3,390,166)	(3,769,569)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES				
Scottish housing association pension scheme	21	(70,000)	(696,000)	
			(70,000)	(696,000)
DEFERRED INCOME				
Social housing grants	22	(10,880,990)	(11,457,480)	
Other grants	22	(666,550)	(715,115)	
			<u>(11,547,540)</u>	<u>(12,172,595)</u>
NET ASSETS			<u>11,065,906</u>	<u>9,668,536</u>
EQUITY				
Share capital	23		116	115
Revenue reserves			11,135,790	10,364,421
Pension reserves			(70,000)	(696,000)
			<u>11,065,906</u>	<u>9,668,536</u>

The financial statements were approved by the Management Committee and authorised for issue on 31 August 2020.

Gary Wood

Committee Member

I. Black

Committee Member

Margaret Pirrie

Secretary

Gary wood

1/9/2020

The notes on pages 14 to 33 form an integral part of these financial statements.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Notes	£	2020 £	£	2019 £
Surplus for the Year			859,369		533,417
<i>Adjustments for non-cash items:</i>					
Depreciation of tangible fixed assets	12	802,731		736,558	
Amortisation of capital grants	22	(599,055)		(556,810)	
Gain on disposal of tangible fixed assets		(52,027)		(10,332)	
Release of negative goodwill	14	(27,622)		(27,622)	
Non-cash adjustments to pension provisions		(88,000)		(74,000)	
Share capital written off	23	(5)		(2)	
			36,022		143,725
Interest receivable			(32,241)		-
Interest payable	8		121,391		-
Operating cash flows before movements in working capital			984,541		677,142
			(5)		(2)
Change in debtors		79,200		(37,106)	
Change in creditors		(26,156)		8,610	
			53,044		(28,496)
Net cash inflow from operating activities			1,037,585		648,646
Investing Activities					
Acquisition and construction of properties		(663,706)		(608,314)	
Purchase of other fixed assets		(10,519)		(7,117)	
Social housing grant received		29,597		9,725	
Social housing grant repaid		(22,287)		-	
Other grants repaid		(33,310)		-	
Changes on short term deposits with banks		95,592		864,696	
Proceeds on disposal of housing properties		265,730		63,592	
Proceeds on disposal of other tangible assets		(40,102)		-	
Net cash (outflow) / inflow from investing activities			(379,005)		322,582
Financing Activities					
Loan redemption payments		-		(798,849)	
Interest received on cash and cash equivalents		32,241		28,946	
Interest paid on loans		(121,391)		(104,879)	
Loan principal repayments		(385,715)		(198,713)	
Share capital issued	23	6		6	
Net cash outflow from financing activities			(474,859)		(1,073,489)
Increase/(decrease) in cash	24		183,721		(102,261)
Opening cash & cash equivalents			143,725		245,986
Closing cash & cash equivalents			327,446		143,725
Cash and cash equivalents as at 31 March					
Cash	24		327,446		143,725
			327,446		143,725

The notes on pages 14 to 33 form an integral part of these financial statements.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2020

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 1 April 2018	111	-	9,538,260	9,538,371
Issue of Shares	6	-	-	6
Cancellation of Shares	(2)	-	-	(2)
Other comprehensive income	-	(403,256)	-	(403,256)
Other movements	-	(292,744)	292,744	-
Surplus for the year	-	-	533,417	533,417
Balance as at 31 March 2019	115	(696,000)	10,364,421	9,668,536
Balance as at 1 April 2019	115	(696,000)	10,364,421	9,668,536
Issue of Shares	6	-	-	6
Cancellation of Shares	(5)	-	-	(5)
Other comprehensive income	-	538,000	-	538,000
Other movements	-	88,000	(88,000)	-
Surplus for the year	-	-	859,369	859,369
Balance as at 31 March 2020	116	(70,000)	11,135,790	11,065,906

The notes on pages 14 to 33 form an integral part of these financial statements.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice for social housing providers 2018. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2019. They comply with the Determination of Accounting Requirements 2019. A summary of the principal accounting policies is set out below

Revenue

Revenue comprises rental and service charge income receivable in the period, income from shared ownership first tranche sales, sales of properties built for sale, other services provided, revenue grants receivable and government grants released to income in the period.

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

Government grants are released to income over the expected useful life of the asset to which they relate. Revenue grants are receivable when the conditions for receipt of the agreed grant funding have been met.

Retirement Benefits

The Association previously participated in the Scottish Housing Association Pension Scheme (SHAPS) a multi-employer defined benefit scheme where retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102. The Association moved to the SHAPS defined contribution scheme on leaving the defined benefit scheme. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

Going Concern

On the basis that the Management Committee has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, the Association has adopted the going concern basis of accounting in preparing these financial statements.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Housing Properties

Housing properties are held for the provision of social housing. Housing properties are stated at cost less accumulated depreciation and impairment losses. Cost includes acquisition of land and buildings and development cost. The Association depreciates housing properties over the useful life of each major component. Housing under construction and land are not depreciated.

<i>Component</i>	<i>Useful Economic Life</i>
Roof-tiles/flashings	Over 50 years
External Fabric/brickwork	Over 50 years
Windows	Over 30 years
Kitchens	Over 15 years
Bathrooms	Over 25 years
Boilers	Over 15 years
Radiators/pipework	Over 30 years
Electrics	Over 30 years
Structures	Over 50 years

Depreciation and Impairment of Other Tangible Assets

Non-current assets are stated at cost less accumulated depreciation. Depreciation is charged over the expected economic useful lives of the assets at the following annual rates:

Office Premises	2%
Furniture and Fittings	10%
Computer Equipment	33%
Office Equipment	20%

The carrying values of non-current assets are reviewed for impairment at the end of each reporting period.

Social Housing Grants and Other Capital Grants

Social housing grants and other capital grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which they relate.

Social housing grant attributed to individual components is written off to the statement of comprehensive income when these components are replaced.

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

Sales Of Housing Properties

First tranche shared ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the statement of recommended practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the statement of comprehensive income.

Disposals under shared equity schemes are accounted for in the statement of comprehensive income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Taxation

The Association is a Scottish Charity and is not liable to taxation on its charitable activities.

Leases

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

Works to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property, a material reduction in future maintenance costs, or a significant extension of the life of the property.

Capitalisation Of Development Overheads

Directly attributable development administration costs relating to ongoing development activities are capitalised.

Borrowing Costs

scheme. All other borrowing costs are expensed to the statement of comprehensive income using the effective interest rate method.

Property Development Cost

The proportion of the development cost of shared ownership properties expected to be disposed of as a first tranche sale is held in current assets until it is disposed of. The remaining part of the development cost is treated as a non-current asset. Surpluses made on the disposal of first tranche sales are taken to the Statement of Comprehensive Income.

Property developments that are intended for resale are included in current assets until disposal.

Negative Goodwill

Negative goodwill created through acquisition is written off to the Statement of Comprehensive Income as the non-cash assets acquired are depreciated or sold.

Housing Property Managed By Agents

Where a third party manages the Association's housing property the accounting treatment reflects the substance of the transactions. The property is only excluded if the rights and obligations associated with the scheme has been transferred to the third party.

VAT

The Association is VAT registered but the substantial proportion of its income is exempt for VAT purposes. As a result most of the VAT paid is not recovered and therefore expenditure is shown inclusive of VAT.

Basis of Consolidation

The Association has obtained exemption from the Financial Conduct Authority from producing Consolidated Financial Statements as provided by Section 14(2A) of the Friendly and Industrial and Provident Societies Act 1968. The financial statements for Blairtummock Housing Association Limited present information about it as an individual undertaking and not about the group.

Financial Instruments - Basic

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

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

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

Cash and Liquid Resources

Cash comprises cash at bank and in hand, deposits repayable on demand less overdrafts. Liquid resources are current asset investments that can't be disposed of without penalty and are readily convertible into amounts of cash at their carrying value.

Impairment

The Association assesses at the end of each accounting period whether there are indications that a non-current asset may be impaired or that an impairment loss previously recognised has fully or partially reversed.

Where the carrying value of non-current assets is less than their recoverable amounts the shortfall is recognised as an impairment loss in the Statement of Comprehensive Income. The recoverable amount is the higher of the fair value less costs to sell and value-in-use of the asset based on its service

Impairment losses previously recognised are reversed if the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Comprehensive Income.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Key Judgements and estimates made in the application of Accounting Policies

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

Key Judgements

a) Categorisation of Housing Properties

In the judgement of the Management Committee the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.

b) Identification of cash generating units

The Management Committee considers its cash-generating units to be the schemes in which it manages its housing property for asset management purposes.

c) Financial instrument break clauses

The Management Committee has considered the break clauses attached to the financial instruments that it has in place for its loan funding. In their judgement these break clauses do not cause the financial instrument to be classified as a complex financial instrument and therefore they meet the definition of a basic financial instrument.

d) Pension Liability

The Association participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. The Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method.

Estimation Uncertainty

a) Rent Arrears - Bad Debt Provision

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

b) Life Cycle of Components

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

c) Useful life of properties, plant and equipment

The Association assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this assessment.

d) Costs of shared ownership

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

e) Defined pension liability

In determining the value of the Association's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT

	Notes	Turnover £	Operating costs £	Operating surplus / (deficit) £	Turnover £	Operating costs £	Operating surplus / (deficit) £
Affordable letting activities	3	3,404,204	2,601,013	803,191	3,226,422	2,685,263	541,159
Other Activities	4	168,854	128,277	40,577	265,938	183,311	82,627
Total		3,573,058	2,729,290	843,768	3,492,360	2,868,574	623,786

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

	General Needs Housing £	Supported Housing £	Shared Ownership £	2020 Total £	2019 Total £
Revenue from Lettings					
Rent receivable net of service charges	2,579,132	36,149	42,263	2,657,544	2,549,668
Service charges receivable	112,214	706	-	112,920	100,736
Gross income from rent and service charges	2,691,346	36,855	42,263	2,770,464	2,650,404
Less: Rent losses from voids	20,913	-	-	20,913	11,598
Income from rents and service charges	2,670,433	36,855	42,263	2,749,551	2,638,806
Grants released from deferred income	654,653	-	-	654,653	587,616
Revenue grants from Scottish Ministers	-	-	-	-	-
Other revenue grants	-	-	-	-	-
Total turnover from affordable letting activities	3,325,086	36,855	42,263	3,404,204	3,226,422
Expenditure on affordable letting activities					
Management and maintenance administration costs	942,336	-	-	942,336	930,860
Service costs	107,310	-	-	107,310	106,828
Planned and cyclical maintenance, including major repairs	343,113	-	-	343,113	575,784
Reactive maintenance costs	334,601	-	-	334,601	338,007
Bad Debts - rents and service charges	56,219	-	-	56,219	4,488
Depreciation of affordable let properties	785,349	14,570	17,515	817,434	729,296
Operating costs of affordable letting activities	2,568,928	14,570	17,515	2,601,013	2,685,263
Operating surplus on affordable letting activities	756,158	22,285	24,748	803,191	541,159
2019	490,664	20,077	30,418		

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2020	Operating surplus / (deficit) 2019
	£	£	£	£	£	£	£	£	£
Wider role activities	-	-	-	-	-	-	60,279	(60,279)	(257)
Factoring	-	-	-	10,118	10,118	-	8,850	1,268	6,938
Uncapitalised development administration costs	-	-	-	-	-	-	-	-	1,814
Other activities	-	98,377	-	38,348	136,725	-	59,148	77,577	3,328
Insurance Claim	-	-	-	6,555	6,555	-	-	6,555	58,588
Other income- creche	15,456	-	-	-	15,456	-	-	15,456	12,216
Total From Other Activities	15,456	98,377	-	55,021	168,854	-	128,277	40,577	82,627
2019	110,000	43,413	-	112,525	265,938	-	183,311	82,627	

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OFFICERS' EMOLUMENTS

	2020 £	2019 £
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association. Emoluments excludes social security costs.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	<u>67,772</u>	<u>66,242</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>7,207</u>	<u>7,045</u>
Emoluments payable to Director (excluding pension contributions)	67,772	66,242
Pension contributions paid on behalf of the Director	<u>7,207</u>	<u>7,045</u>
Total emoluments payable to the Director	<u>74,979</u>	<u>73,287</u>
Total emoluments paid to key management personnel (including pension contributions)	<u>221,399</u>	<u>215,854</u>

The number of Officers, including the highest paid Officer, who received emoluments, including pension contributions, over £60,000 was in the following ranges:-

	Number	Number
£60,001 to £70,000	<u>1</u>	<u>1</u>
£70,001 to £80,000	<u>1</u>	<u>1</u>

6. EMPLOYEE INFORMATION

	2020 No.	2019 No.
Average total number of employees employed during the year	<u>14</u>	<u>14</u>
Staff costs were:	£	£
Wages and salaries	490,484	484,945
National insurance costs	47,731	47,432
Pension costs	48,669	49,225
Temporary, agency and seconded staff	14,986	10,437
	<u>601,870</u>	<u>592,039</u>

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. GAIN ON SALE OF HOUSING STOCK

	2020 £	2019 £
Sales proceeds	215,367	10,332
Cost of sales	123,238	-
Gain on sale of housing stock	<u>92,129</u>	<u>10,332</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £	2019 £
On bank loans and overdrafts	<u>121,391</u>	<u>142,269</u>

9. SURPLUS FOR THE YEAR

	2020 £	2019 £
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	802,731	769,471
Auditors' remuneration - audit services	8,904	8,220
Auditors' remuneration - other services	2,840	2,881
(Loss) on sale of other non-current assets	<u>40,102</u>	<u>10,332</u>

10. CORPORATION TAX

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities.

11. OTHER FINANCE INCOME / (CHARGES)

	2020 £	2019 £
Net interest on pension obligations	<u>(15,000)</u>	<u>(15,000)</u>

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Shared Ownership Completed £	Total £
COST			
At 1 April 2019	33,798,479	891,420	34,689,899
Additions	663,706	-	663,706
Disposals	(502,774)	(31,319)	(534,093)
At 31 March 2020	33,959,411	860,101	34,819,512
DEPRECIATION			
At 1 April 2019	10,880,343	269,738	11,150,081
Charge for Year	747,892	17,515	765,407
Disposals	(351,096)	(9,396)	(360,492)
At 31 March 2020	11,277,139	277,857	11,554,996
NET BOOK VALUE			
At 31 March 2020	22,682,272	582,244	23,264,516
At 31 March 2019	22,918,136	621,682	23,539,818

	2020		2019	
Expenditure on Existing Properties	Component replacement £	Improvement £	Component replacement £	Improvement £
Amounts capitalised	594,465	-	608,314	-
Amounts charged to the statement of comprehensive income	-	677,714	-	913,791

All land and housing properties are heritable.

Additions to housing properties include capitalised development administration costs of £000,000 (2019-£000,000)

The Association's lenders have standard securities over housing property with a carry value of £18,191,773 (2019 - £18,233,499)

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Computer Equipment £	Total £
COST				
At 1 April 2019	1,480,922	51,025	71,359	1,603,306
Additions	-	7,355	3,164	10,519
Eliminated on disposals	-	(7,480)	-	(7,480)
At 31 March 2020	1,480,922	50,900	74,523	1,606,345
DEPRECIATION				
At 1 April 2019	424,067	44,495	67,656	536,218
Charge for year	32,506	3,014	1,804	37,324
Eliminated on disposals	-	(7,480)	-	(7,480)
At 31 March 2020	456,573	40,029	69,460	566,062
NET BOOK VALUE				
At 31 March 2020	1,024,349	10,871	5,063	1,040,283
At 31 March 2019	1,056,855	6,530	3,703	1,067,088

13. FIXED ASSET INVESTMENTS

Subsidiary Undertakings

Blairtummock Housing Association Limited has the following wholly controlled subsidiary undertakings. The registered office of the subsidiary is 45 Boyndie Street, Glasgow, G34 9JL.

	2020		2019	
	Reserves	Profit / (Loss)	Reserves	Profit / (Loss)
	£	£	£	£
Blairtummock & Rogerfield Opportunities Limited	170,607	(6,263)	176,870	69,753

During the year Blairtummock Housing Association Limited provided development, management and financial services to Blairtummock and Rogerfield Opportunities for which a charge of £4,348 (2019- £3,159) was made.

During the year the Association recharged rates and insurance to the subsidiary totalling £6,283 (2019- £4,585). The Association looks after deposits and makes payments on behalf of the subsidiary. The Association also provides the subsidiary with the use of the community hall free of charge. As a result, at the statement of financial position date the Association owed £7,772 (2019- £21,635) to the subsidiary.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. NEGATIVE GOODWILL

	2020	2019
	£	£
At 1 April 2019	1,257,038	1,284,660
Released during the year to the statement of comprehensive income	(27,622)	(27,622)
At 31 March 2020	<u>1,229,416</u>	<u>1,257,038</u>

15. RECEIVABLES

	2020	2019
	£	£
Gross arrears of rent and service charges	76,445	66,086
Less: Provision for doubtful debts	(60,937)	(50,187)
<i>Net arrears of rent and service charges</i>	15,508	15,899
Other receivables	67,325	146,134
	<u>82,833</u>	<u>162,033</u>

16. CURRENT ASSET INVESTMENTS

	2020	2019
	£	£
Short term deposits	<u>3,063,269</u>	<u>3,158,861</u>

17. CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash at bank and in hand	<u>327,446</u>	<u>143,725</u>

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank loans	182,703	189,015
Trade payables	75,664	110,929
Rent received in advance	71,685	85,176
Other taxation and social security	12,764	12,456
Amounts due to group undertakings	7,772	21,635
Other payables	87,525	49,362
Accruals and deferred income	37,206	39,214
	<u>475,319</u>	<u>507,787</u>

19. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Bank loans	<u>3,390,166</u>	<u>3,769,569</u>

20. DEBT ANALYSIS - BORROWINGS

	2020 £	2019 £
Bank Loans		
Amounts due within one year	182,703	189,015
Amounts due in one year or more but less than two years	185,848	194,146
Amounts due in two years or more but less than five years	587,847	598,603
Amounts due in more than five years	<u>2,616,472</u>	<u>2,976,820</u>
	<u>3,572,870</u>	<u>3,958,584</u>

The Association has a number of bank loans the principal terms of which are as follows:

Lender	Number of Properties Secured	Effective Interest Rate	Maturity (Year)	Variable or Fixed
Nationwide	184	0.5%	2035	Variable
Nationwide	184	0.5%	2036	Variable
Nationwide	184	0.5%	2036	Variable
Clydesdale	-	0.5%	2029	Variable
Clydesdale	170	5.4%	2040	Fixed

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

Blairtummock Housing Association Limited participated in the Scottish Housing Association Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Association moved to a defined contribution scheme in 1 April 2014 but has a net liability for the past service deficit in the defined benefit scheme.

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

The last valuation of the Scheme was performed as at 30 September 2018 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £877m. The valuation revealed a shortfall of assets compared with the value of liabilities of £121m (equivalent to a past service funding level of 89%). A recovery plan is in place to eliminate the past service deficit which runs to 28 February 2022.

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal, then the liability of the withdrawing employer is reapportioned amongst the remaining employer. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

In 2019 the Pensions Trust, the administrator of the Scheme developed a method of determining the share of assets and liabilities for individual employers. This method was adopted by the Association in 2019 and resulted in an adjustment to the opening pension liability recognised in the statement of financial position of £-273256.

Present values of defined benefit obligation, fair value of assets and defined benefit asset / (liability)

	2020 £	2019 £
Fair value of plan assets	3,445,000	3,319,000
Present value of defined benefit obligation	3,515,000	4,015,000
Surplus / (deficit) in plan	(70,000)	(696,000)
Unrecognised surplus	-	-
Defined benefit asset / (liability) to be recognised	(70,000)	(696,000)

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2020 £	2019 £
Defined benefit obligation at the start of period	4,015,000	3,818,000
Expenses	3,000	3,000
Interest expense	92,000	97,000
Actuarial losses (gains) due to scheme experience	(95,000)	(59,000)
Actuarial losses (gains) due to changes in demographic assumptions	(23,000)	11,000
Actuarial losses (gains) due to changes in financial assumptions	(407,000)	265,000
Benefits paid and expenses	(70,000)	(120,000)
Defined benefit obligation at the end of period	3,515,000	4,015,000

Reconciliation of opening and closing balances of the fair value of plan assets

	2020 £	2019 £
Fair value of plan assets at start of period	3,319,000	3,178,000
Interest income	77,000	82,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	13,000	87,000
Contributions by the employer	106,000	92,000
Benefits paid and expenses	(70,000)	(120,000)
Fair value of plan assets at the end of period	3,445,000	3,319,000

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £169,000

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2020	2019
	£	£
Current service cost	-	-
Expenses	3,000	3,000
Net interest expense	15,000	15,000
	<u>18,000</u>	<u>18,000</u>
Defined benefit costs recognised in statement of comprehensive income	<u>18,000</u>	<u>18,000</u>

Defined benefit costs recognised in the other comprehensive income

	2020	2019
Experience on plan assets (excluding amounts included in interest income) - gain/(loss)	13,000	87,000
Experience gains and losses arising on plan liabilities - gain/(loss)	95,000	59,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain/(loss)	23,000	(11,000)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	407,000	(265,000)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	<u>538,000</u>	<u>(130,000)</u>
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in interest cost) - gain / (loss)	-	-
Total amount recognised in other comprehensive income - gain (loss)	<u>538,000</u>	<u>(130,000)</u>

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2020	2019	2018
	£	£	£
Absolute Return	212,000	281,000	377,000
Alternative Risk Premia	276,000	185,000	120,000
Corporate Bond Fund	252,000	233,000	222,000
Credit Relative Value	83,000	58,000	-
Distressed Opportunities	63,000	57,000	14,000
Emerging Markets Debt	123,000	106,000	109,000
Fund of Hedge Funds	-	9,000	91,000
Global Equity	474,000	534,000	572,000
Infrastructure	203,000	139,000	58,000
Insurance-Linked Securities	92,000	86,000	87,000
Liability Driven Investment	907,000	1,182,000	1,119,000
Long Lease Property	84,000	40,000	-
Emerging Markets Debt	26,000	3,000	6,000
Over 15 Year Gilts	44,000	85,000	103,000
Private Debt	68,000	43,000	29,000
Property	64,000	66,000	126,000
Risk Sharing	109,000	96,000	29,000
Secured Income	191,000	116,000	116,000
Opportunistic Illiquid Credit	84,000	-	-
Liquid Credit	90,000	-	-
Total assets	<u>3,445,000</u>	<u>3,319,000</u>	<u>3,178,000</u>

None of the fair values of the assets shown above include any direct investment in the Association's own financial instruments or any property occupied by, or other assets used by the Association.

Key Assumptions

	2020	2019	2018
Discount Rate	2.4%	2.3%	2.3%
Inflation (RPI)	2.6%	3.3%	3.3%
Inflation (CPI)	1.6%	2.3%	2.3%
Salary Growth	2.6%	3.3%	3.3%
Allowance for commutation of pension for cash at retirement	<u>75% of maximum allowance</u>		

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	Life expectancy at age 65 years (years)
Male retiring in 2019	21.5
Female retiring in 2019	23.2
Male retiring in 2039	22.8
Female retiring in 2039	<u>24.5</u>

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

22. DEFERRED INCOME

	Social Housing Grants £	Shared Ownership Housing Grants £	Non Housing Grants £	Total £
Capital grants received				
At 1 April 2019	22,376,180	692,936	410,314	23,479,430
Additions in the year	29,597	-	-	29,597
Eliminated on disposal	(30,282)	(33,310)	-	(63,592)
At 31 March 2020	<u>22,375,495</u>	<u>659,626</u>	<u>410,314</u>	<u>23,445,435</u>
Amortisation				
At 1 April 2019	10,918,700	256,667	131,468	11,306,835
Amortisation in year	575,805	13,859	9,391	599,055
Eliminated on disposal	-	(7,995)	-	(7,995)
At 31 March 2020	<u>11,494,505</u>	<u>262,531</u>	<u>140,859</u>	<u>11,897,895</u>
Net book value				
At 31 March 2020	<u>10,880,990</u>	<u>397,095</u>	<u>269,455</u>	<u>11,547,540</u>
At 31 March 2019	<u>11,457,480</u>	<u>436,269</u>	<u>278,846</u>	<u>12,172,595</u>

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

	2020 £	2019 £
Amounts due within one year	599,054	556,810
Amounts due in more than one year	10,948,485	11,615,785
	<u>11,547,539</u>	<u>12,172,595</u>

23. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2020 £	2019 £
At 1 April	115	111
Issued in year	6	6
Cancelled in year	(5)	(2)
At 31 March	<u>116</u>	<u>115</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings.

BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. CASH FLOWS

Reconciliation of net cash flow to movement in net debt

	£	2020 £	£	2019 £
Increase / (decrease) in cash	183,721		(102,261)	
Cashflow from change in net debt	385,715		-	
Movement in net debt during the year		473,844		(102,261)
Net debt at 1 April		(655,998)		-
Net debt at 31 March		(182,154)		(102,261)

<i>Analysis of changes in net debt</i>	<i>At 01 April 2019</i>	<i>Cashflows</i>	<i>Other Changes</i>	<i>At 31 March 2020</i>
	£	£	£	£
Cash and cash equivalents	143,725	183,721	-	327,446
	143,725	183,721	-	327,446
Liquid resources	3,158,861	(95,592)	-	3,063,269
Debt: Due within one year	(189,015)	385,715	(379,403)	(182,703)
Due after more than one year	(3,769,569)	-	379,403	(3,390,166)
Net debt	(655,998)	473,844	-	(182,154)

25. CAPITAL COMMITMENTS

	2020 £	2019 £
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	663,772	486,249

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

26. DETAILS OF ASSOCIATION

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

The Association's principal place of business is 45 Boyndie Street, Glasgow, G34 9JL, .

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

27. MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £1,848 (2019 - £2,052) in the year by way of reimbursement of expenses. No remuneration is paid to members in respect of their duties to the Association.

BLAIRTUMMOCK HOUSING ASSOCIATION L

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2020 No.	2019 No.
General needs	686	690
Shared ownership	20	21
	<u>706</u>	<u>711</u>

29. RELATED PARTY TRANSACTIONS

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

Any transactions between the Association and any entity with which a Management Committee member has a connection with is made at arm's length and is under normal commercial terms.

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

	2020 £	2019 £
Rent received from tenants on the Management Committee and their close family members	<u>35,024</u>	<u>46,072</u>

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £1,334 (2019 - £2,347).

Members of the Management Committee who are tenants	8	9
Members of the Management Committee who are owner occupiers	1	1