



**ANGUS HOUSING ASSOCIATION LIMITED**

**REPORT AND ACCOUNTS**

**31st March 2020**

# ANGUS HOUSING ASSOCIATION LIMITED



## REPORT AND FINANCIAL STATEMENTS For the period ended 31st March 2020

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# ANGUS HOUSING ASSOCIATION LIMITED



Registered No. 1665R(S)  
Scottish Charity No. SC020981  
The Scottish Housing Regulator No. HAL65

## MEMBERS OF COMMITTEE OF MANAGEMENT

Ms H Farquhar	(Chairman)
Mr J Black	(Treasurer)
Mrs S Welsh	(Secretary)
Mr C MacDougall	(resigned 25/09/2019)
Mr R Fraser	
Mr I Laird	
Mr W Gibson	
Mr B Morris	
Mrs E Curtis	
Mr T Malone	
Mrs J Gaul	
Mr I Treanor	(resigned 19/11/2019)

## KEY MANAGEMENT PERSONNEL

Gail Robertson (Director)

## SECRETARY AND REGISTERED OFFICE

Mrs S Welsh, 93 High Street, Arbroath, DD11 1DP

## SOLICITOR

Thorntons Law LLP, Whitehall House, 33 Yeaman Shore, Dundee, DD1 4BJ

## BANKERS

The Royal Bank of Scotland plc, Brothock Bridge, Arbroath, DD11 1NP

## EXTERNAL AUDITORS

Findlays, 11 Dudhope Terrace, Dundee, DD3 6TS

## INTERNAL AUDITORS

Quinn Internal Audit and Business Advisors, 55 Lady Place, Livingston EH54 6TB



## CHAIRMAN'S STATEMENT

This year has been significant for the Association in a number of ways. We have reached the milestones of our 50th anniversary and the completion of our 2,000th unit and have for the first time had to put in place our Business Continuity Management Plan due to the COVID pandemic.

We developed 85 new build units – 38 in Monifieth, 4 at Turfbeg in Forfar, 3 in Panbride, 30 in Dundee and 10 at Inverkeilor.

Our development programme remains strong, bolstered by the additional finance received after a robust tender to the finance market. The bids received showed that lenders are keen to work with the Association and from the very competitive bids, the Association decided on bond finance from Allia to the tune of £13 million pounds. This will deliver our future development programme of 300-350 new homes over the next 3-4 years.

The quality of the homes we are building remains high and the Association has improved the quality of its stock through its planned maintenance programme to the tune of £2,415,229. This investment has been in replacing kitchens and bathrooms and external works programmes.

Significantly the Association has entered into tender partnerships with local other local housing associations to procure both reactive and planned maintenance contractors and we hope that these frameworks will be operational within 2020 and provide the association with financial efficiencies while delivering quality works for our tenants.

This year saw the first change in Directorship of the Association with the retiral of Bruce Forbes and Gail Robertson taking the helm. This transition has been handled well both by my colleagues on the Management Committee and by the staff.

As a Committee we have had several retirals of committee members – Bob Fraser who had been on the Committee for 9 years, Brian Morris who had given 6 years of service and Tom Malone who was on the Committee for 2 years. I would like to take the opportunity to thank them for their service and valuable contribution to the Association and wish them all the very best.

The Association remains in a strong financial position with a surplus of £2,085,188 reported for 19/20. The Associations assets increased by approx. £4 million.

The Association performed well in key areas with 202 relets on top of the new build allocations and with a void loss of less than half a percent. Arrears (including former tenants and write off's) remained under 3%. Reactive maintenance performed very well with less than an average of 2 hours to complete repairs and 3.6 days for non emergency repairs. Both indicators are well within targets. In addition, 98% of repairs were done right first time.

For the first time in a number of years, the Association conducted a large scale face to face Tenants Satisfaction Survey. The overall results of this were very good with 87% of tenants being either very or fairly satisfied with the overall performance of the Association, but we have identified areas where we could do better and staff have been tasked with making improvements.

No report in 2020 would be complete without some reflection of the impact of the COVID19 pandemic.

## ANGUS HOUSING ASSOCIATION LIMITED



The Association coped extremely well with the very sudden change to our services and I would like to thank the staff who have been working from home over the past 6 months. They have very ably adapted their working style and environment and have supported both their colleagues and our tenants during what has been a difficult time for many of us. Although our Dundee and Arbroath offices remain closed to the public, staff are working a rota system and all our key services have been operational since the start of lockdown and remain so. Incredibly during this time, we have installed a new integrated housing management system to replace our Kypera computer system. All credit goes to our project team and Arlene Grant who headed up the implementation for delivering the working system on time. Over the coming months, we will grow the capabilities of this system to include a tenant's portal and more reporting capacity.

Our celebrations for the 50th anniversary and our 2,000th unit will be re-scheduled for next year and all being well, we hope to be able to share these with you face to face at the 2021 AGM. If the pandemic persists, the move to the Model Rules 2020 will allow us to conduct the work of the Association remotely using the technology put in place during the lockdown.

I would like to reiterate my thanks to my fellow committee members, and all the staff, for the excellent working relationship with each other and myself during this second year of my chairmanship, and I have no doubt that this will continue over the next year also.

[REDACTED]

**Chairman**

# ANGUS HOUSING ASSOCIATION LIMITED



## REPORT OF THE COMMITTEE OF MANAGEMENT

Report by the Committee of Management to the Thirty First Annual General Meeting of the amalgamated Angus Housing Association Limited to be held online via Microsoft Teams on Wednesday 23<sup>rd</sup> September 2020 at 9.30am.

The Committee submit to the meeting their Thirty First Annual Report and Statement of Accounts duly audited for the year ended 31st March 2020.

### OBJECTIVES AND STRUCTURE

The Association's broad objective is to contribute to providing high quality, affordable housing for all those individuals, families and communities in Angus and Dundee who are in need of the fundamental human right of a decent, secure home to call their own.

The Association aims to achieve this objective by providing good quality homes for rent and shared ownership at an affordable cost to our tenants, ensuring the criteria we use to control access to our houses is based solely on the housing needs of applicants and providing an efficient, responsive and personal housing management and maintenance service of the highest possible quality.

The Association's Committee comprises nine registered members and has two sub-committees, which deal with service delivery and finance & audit. The committees are made up of specialist consultants from relevant differing professions with a variety of skills. The Committee of Management meets six times per annum, whilst the sub-committees meet at least four times per annum. Members of the Committee of Management receive no remuneration for their services except for reasonable out of pocket expenses.

The Committee of Management receives reports from the sub-committees, receives information on current developments in progress and also on possible future sites, considers budgets and management accounts, all policy matters and other relevant business. The day to day management of the Association is delegated to the Director and Management Team.

### REVIEW OF THE YEAR

The Committee of Management is pleased to report a surplus for the year of £2,085,188 (2019 : £1,257,385). The Association continues to contribute towards the Scottish Government's target of building 35,000 new affordable homes for rent by 2021. Eighty five properties were added during 2019-20, – 38 in Monifieth, 4 at Turfbeg in Forfar, 3 in Panbride, 30 in Dundee and 10 at Inverkeilor. In addition one property was purchased on the open market. A total of £8,018,585 has been spent on Development, Major and Planned Repairs, of which £666,283 has been charged to the Statement of Comprehensive Income.

The Statement of Financial Position shows a net asset position of £16,498,982 (2019 : £12,225,508).

### ELECTION OF COMMITTEE OF MANAGEMENT

In terms of the Rules of the Association, one third of the Committee must resign. 2 members of the Committee of Management, Mrs H Farquhar and Mr F Jack retire from office at this time and offer themselves for re-election. Additionally Mr Bryan Morris retires from office at this time and does not offer himself for re-election.



## REPORT OF THE COMMITTEE OF MANAGEMENT (continued)

### STATEMENT OF COMMITTEE MEMBERS' RESPONSIBILITIES

Co-operative and Community Benefit Society and Registered Housing Association Law requires the Committee Members to prepare Accounts for each financial period 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 Accounts, the Committee Members are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Committee Members are 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 Accounts comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010, the Accounting Determination 2012, and the Statement of Recommended Practice: Accounting by Registered Social Landlords 2010 issued by the Accounting Standards Board. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### INTERNAL FINANCIAL CONTROL

The Committee of Management 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 Committee of Management's responsibility to establish and maintain the 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 on-going documentation of key system and rules in relation to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of the 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 Committee of Management to monitor the key business risks, financial objectives and 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 Committee of Management
- the Audit Committee received reports from management and from 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.



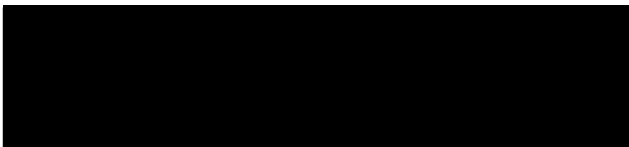
## **RELATED PARTY TRANSACTIONS**

The tenants who sit on the Committee of Management have entered into tenancies on the Association's normal terms and conditions and they cannot use their position to their advantage.

## **RE-ELECTION OF AUDITORS**

A resolution to re-appoint Findlays as auditors will be submitted at the Annual General Meeting.

**By Order of the Committee**



**Secretary to the Committee of Management**

**9 September 2020**





## **INDEPENDENT AUDITORS' REPORT**

### **to the Members of Angus Housing Association Limited**

We have audited the Financial Statements of Angus Housing Association Limited for the year ended 31 March 2020 which comprise the Statements of Comprehensive Income, Financial Position, Changes in Reserves, Cash Flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, the Scottish Housing Regulator's Determination of Accounting Requirements April 2014 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

### **RESPECTIVE RESPONSIBILITIES OF THE BOARD AND THE AUDITOR**

As explained more fully in the Statement of the Board's Responsibilities set out on pages 6 & 7, the Board is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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 Association'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 Report of the Board of Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON THE FINANCIAL STATEMENTS**

In our opinion the Financial Statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2020 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Schedule 1, the Housing (Scotland) Act 2010, and the Scottish Housing Regulator's Determination of Accounting Requirements 2014.

# ANGUS HOUSING ASSOCIATION LIMITED



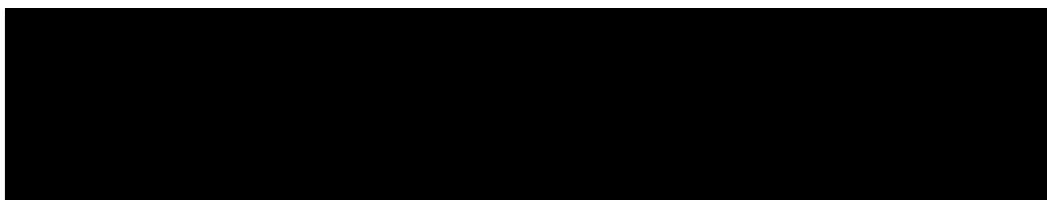
## **INDEPENDENT AUDITORS' REPORT** **to the Members of Angus Housing Association Limited (continued)**

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

We are required to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation; 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

We have nothing to report in respect of these matters.



**For and on behalf of**  
**FINDLAYS**  
**CHARTERED ACCOUNTANTS AND STATUTORY AUDITORS**  
**11 DUDHOPE TERRACE**  
**DUNDEE**  
**DD3 6TS**

**9 September 2020**

# **ANGUS HOUSING ASSOCIATION LIMITED**



## **REPORT BY THE AUDITORS TO ANGUS HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS**

In addition to our audit of the financial statements, we have reviewed your statement on pages 5 to 7 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator.


### **BASIS OF OPINION**

We carried out our review having regard to the requirements 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 reason given for non-compliance.

### **OPINION**

In our opinion the Statement on Internal Financial Control on pages 6 and 7 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued 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 Committee of Management and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Committee of Management'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.

  
For and on behalf of  
**FINDLAYS**  
**CHARTERED ACCOUNTANTS AND STATUTORY AUDITORS**  
**11 DUDHOPE TERRACE**  
**DUNDEE**  
**DD3 6TS**

**9 September 2020**

# ANGUS HOUSING ASSOCIATION LIMITED



## STATEMENT OF COMPREHENSIVE INCOME For the reporting period 31<sup>st</sup> March 2020

	Notes	2020 £	2019 £
TURNOVER	2	10,003,253	10,895,338
Operating costs	2	(6,608,555)	(8,430,793)
OPERATING SURPLUS		3,394,698	2,464,545
Profit / (loss) on Sale of Fixed Assets	5	Nil	Nil
Interest receivable and other income		19,227	13,124
Interest payable and similar charges	6	(1,273,737)	(1,168,284)
Pension interest	20	(55,000)	(52,000)
SURPLUS FOR YEAR		2,085,188	1,257,385
Write Off of Repairs Provisions		142,289	Nil
Actuarial gain / (loss) in respect of pension schemes		2,046,000	(1,740,451)
Total comprehensive income for the year		4,273,477	(483,066)

The notes on pages 15 to 30 form part of these financial statements.

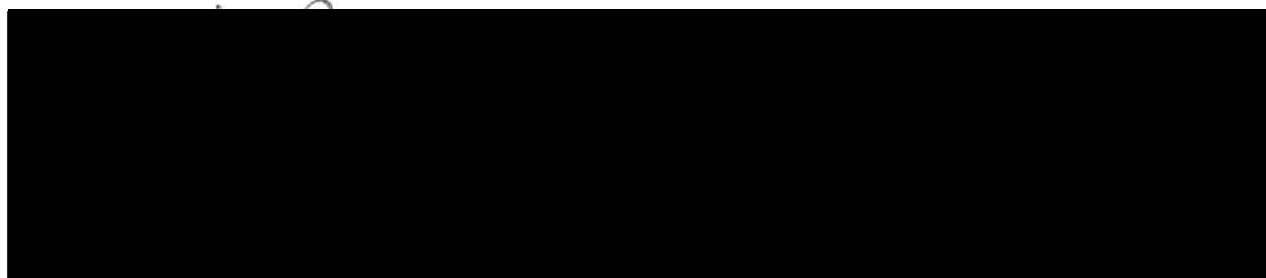
# ANGUS HOUSING ASSOCIATION LIMITED



## STATEMENT OF FINANCIAL POSITION At 31<sup>st</sup> March 2020

	Notes	2020 £	2019 £
<b>PLANT, PROPERTY &amp; EQUIPMENT</b>			
Housing properties	9a	114,354,005	109,475,202
Fixed Asset Investment	9b	216,868	216,868
Other Fixed Assets	9c	741,169	725,698
		<u>115,312,042</u>	<u>110,417,768</u>
<b>CURRENT ASSETS</b>			
Debtors	10	811,284	1,989,732
Cash & Deposits		15,023,032	2,262,558
Property Held for Sale	11	Nil	Nil
Stock of Maintenance Supplies	12	9,953	9,487
		<u>15,844,269</u>	<u>4,261,777</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(3,655,338)</u>	<u>(3,233,420)</u>
<b>NET CURRENT ASSETS</b>		<u>12,188,931</u>	<u>1,028,357</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>127,500,973</u>	<u>111,446,125</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14	(111,001,990)	(96,819,617)
Pension Provision	19	Nil	(2,401,000)
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>16,498,982</u>	<u>12,225,508</u>
<b>CAPITAL AND RESERVES</b>			
Share Capital	15	47	50
Revenue reserve	16	16,498,935	12,225,458
		<u>16,498,982</u>	<u>12,225,508</u>

The financial statements on pages 11 to 34 were approved by the Committee of Management on 9th September 2020 and were signed on its behalf by:



The notes on pages 15 to 34 form part of these financial statements.

# ANGUS HOUSING ASSOCIATION LIMITED



## STATEMENT OF CHANGES IN RESERVES

	Share Capital £	Revenue Reserve £	Total £
<b>As at 31 March 2019</b>	<b>50</b>	<b>12,225,458</b>	<b>12,225,508</b>
Surplus / (deficit) for the year	-	2,085,188	2,085,188
Write off of Repairs Provisions		142,289	142,289
Re-measurement gain / (loss) on defined benefit	-	2,046,000	2,046,000
<b>Total Comprehensive Income</b>	<b>-</b>	<b>4,273,477</b>	<b>4,273,477</b>
Share Capital Cancelled	(5)		(5)
Share Capital Addition	2		2
<b>As at 31 March 2020</b>	<b>47</b>	<b>16,498,935</b>	<b>16,498,982</b>

The notes on pages 15 to 34 form part of these financial statements.

# ANGUS HOUSING ASSOCIATION LIMITED



## STATEMENT OF CASH FLOWS

For the reporting date 31<sup>st</sup> March 2020

	Notes	2020 £	2019 £
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	17	5,405,849	3,570,142
CASHFLOW FROM INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(7,397,669)	(15,300,464)
Purchase of investments		-	-
Proceeds from sale of tangible fixed asset		-	-
Grants received		2,992,943	7,031,614
Grants repaid		-	-
Interest receivable		19,228	13,123
NET CASH FLOW FROM INVESTING ACTIVITIES		(4,385,498)	(8,255,727)
CASHFLOW FROM FINANCING ACTIVITIES			
Issue of share capital		(3)	2
Interest payable		(1,328,737)	(1,168,284)
New secured loans		14,446,000	5,300,000
Repayment of borrowings		(1,377,137)	(1,283,562)
NET CASH FLOW FROM FINANCING ACTIVITIES		11,740,123	2,848,156
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		12,760,474	(1,837,429)
CASH AND CASH EQUIVALENTS AS AT 1 <sup>ST</sup> April 2019		2,262,558	3,710,276
CASH AND CASH EQUIVALENTS AS AT 31 <sup>ST</sup> March 2019		15,023,032	2,262,558

The notes on pages 15 to 34 form part of these financial statements.



## NOTES TO THE ACCOUNTS

For the reporting date 31<sup>st</sup> March 2020

### 1. ACCOUNTING POLICIES

#### **Accounting basis**

These accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards 102 (FRS102) and the Statement of Recommended Practice for Social Housing Providers 2018 (SORP 2018) and the Scottish Housing Regulator Determination of Accounting Requirements 2014.

The financial statements have been prepared on a going concern basis.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years unless otherwise stated.

The financial statements are presented in sterling which is the functional currency of the Association.

#### **Turnover**

Turnover represents the rental and service charge income receivable in the year net of losses from voids, revenue and other grants.

The disposal from the first tranche of shared ownership properties are included in turnover at the point of legal completion. The second and subsequent tranches are accounted for in other income in the period which the disposal occurs.

#### **Sale of housing properties**

The surplus or deficit is accounted for in the period the disposal occurs and represents the difference between the net sale proceeds and the net carrying value. The surplus/deficit amount arising from the sale of housing properties is disclosed separately in the Statement of Comprehensive Income.

#### **Shared Ownership sales**

In accordance with the SORP 2018, shared ownership properties are reflected within Fixed Assets. Proceeds from first tranche disposals are allocated to Turnover. Costs relating to expected first tranche sales are reflected in current assets and released to the Statement of Comprehensive Income on sale.

The surplus or deficit on the disposal of second subsequent tranches of shared ownership properties are accounted for in the Statement of Comprehensive income within the Gain/ Loss on sale of Tangible Fixed Assets





## Interest Income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

## Fixed assets – housing land and buildings

Housing properties are stated at cost. The development costs of housing properties include the following:

- i. Cost of acquiring land and buildings;
- ii. Development expenditure;
- iii. Capital acquisition and development administration costs
- iv. Capital clerk of works costs

Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

The proceeds arising from first tranche “sales” of Housing Association Grant funded shared ownership properties are recorded through the Income & Expenditure Account, with any subsequent sales treated as a disposal of fixed assets.

In accordance with the SORP, where a housing property comprises two or more major components with substantially different useful economic lives, each component has been accounted for separately and depreciated over its useful life. The following components have been identified:

<u>Component</u>	<u>Useful Economic Life</u>
Land	Not Applicable
Main Structure	90 Years
Roof	50 Years
Windows & Doors	50 Years
Guttering / Woodwork	25 Years
External Fencing	25 Years
Heating System - Gas	15 Years
Heating System - Electric	15 Years
Heating System - Radiators	25 Years
Kitchen	15 Years
Bathroom	15 Years
Electrical Installation	10 Years
Controlled Entry Systems	12 Years
Air Source Heat Pumps	20 years

The Association will capitalise the replacement of these components in line with its Lifecycle Replacement Programme. One off main component replacements will not be capitalised unless the replacement is within a timeframe which means that the component will not be replaced again at the next scheduled cycle.

## Fixed assets – impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. The level at which an impairment is assessed is at the scheme of properties (e.g. the cash generating unit (CGU))



## NOTES TO THE ACCOUNTS

For the reporting date 31<sup>st</sup> March 2020

### ACCOUNTING POLICIES (continued)

The following key judgement has been made in defining the CGU's for housing properties (including shared ownership properties): where schemes have been developed together and are managed together, they are deemed to be a single CGU.

The key indicators considered in reviewing impairment are: changes in demand, changes in use, economic performance worse than expected, significant decline in market value, reduction in market value were intend to sell, plans to regenerate, demolish or replace existing components, on completion of new developments were costs are higher than anticipated, and other changes in technology, market, economy and legislation.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the Statement of Comprehensive Income.

### Fixed assets – other fixed assets

Depreciation is provided for at rates calculated to write off the cost of each asset evenly over its expected useful life as shown above except for the following:

Housing Properties (shared ownership)	over 50 years
Office Building	over 50 years
Computer and Office Equipment	over 4 years
Office and Furnished Flat Furnishings	over 4 years

### Development Interest

Interest on borrowings specifically financing a development is capitalised to the extent that it accrues in respect of the period during which development activities are in progress. All other interest is written off to the Statement of Comprehensive Income in the period in which it accrues.

### Capitalisation of overheads

Costs which directly relate to bringing assets into working conditions are included within the cost of the asset and any subsequent component replacements. These primarily relate to salary costs.

### Homestake

Grants are received from ministers of the Scottish Government for the purchase of properties under the Homestake scheme. The element of the property not owned by the Homestake owner will be accounted for as a Fixed Asset Investment. The cost is offset by a grant of the same amount which is held as Deferred Income within Other Creditors.

**Subsidiary**

The subsidiary Musselcrag Limited is a dormant company as at 31<sup>st</sup> March 2020 and accordingly the Association has not prepared consolidated statements.

**Debtors and Creditors**

Debtors and creditors within a year and stated with no interest receivable or payable and are recorded at transaction price.

**Stock**

Stock is measured at the lower of costs and net realisable value.

**Grants**

Where a grant is paid as a contribution towards revenue expenditure, it is included in turnover. Where a grant is received from government and other bodies as a contribution towards a capital cost, it is recognised as income using the performance model in accordance with the SORP 2018. Prior to satisfying the performance conditions such grants are held as deferred income on the Statement of Financial Position.

**Loans and borrowing**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.



## NOTES TO THE ACCOUNTS

For the reporting date 31<sup>st</sup> March 2020

### 1. ACCOUNTING POLICIES (continued)

#### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty of not more than 24 hours.

#### **Supporting People Funding**

The Association no longer receives Supporting People funding to fund part of the Sheltered Housing Service.

#### **Operating Leases**

Rental applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Income and Expenditure Account on a straight line basis over the term of the lease.

#### **Pensions**

The Association participates in the Scottish Housing Association's Pension Scheme (SHAPS) providing benefits based on Career Average Revalued Earnings. The Association's share of the Scheme Assets and Liabilities is shown in the Statement of Financial Position in accordance with their requirements of FRS17.

# ANGUS HOUSING ASSOCIATION LIMITED



## NOTES TO THE ACCOUNTS

For the reporting date 31<sup>st</sup> March 2020

### 2 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	Turnover	Operating Costs	2020 Operating Surplus/(Deficit)	2019 Operating Surplus/(Deficit)
	£	£	£	£
Income & Expenditure from Lettings	9,704,561	6,363,695	3,340,866	2,411,539
Development for sale to RSL	Nil	314	(314)	Nil
Other Activities	298,692	244,546	54,146	53,006
<b>TOTAL</b>	<b>10,003,253</b>	<b>6,608,555</b>	<b>3,394,698</b>	<b>2,464,545</b>
Total for 2019	10,895,338	8,430,793		

### 3 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM SOCIAL LETTING ACTIVITIES

	General Needs Housing	Sheltered Housing	Shared Ownership	2020 Total	2019 Total
	£	£	£	£	£
Rent Receivable net of Service Charges	8,439,274	309,644	9,714	8,758,632	8,119,720
Service Charges Receivable	64,175	102,912	1,367	168,454	161,186
Gross Rent Receivable	8,503,449	412,556	11,081	8,927,086	8,280,906
LESS: Rent Losses from Voids	(38,535)	(6,035)	Nil	(44,570)	(46,553)
Net Income from Rents and Service Charges	8,464,914	406,521	11,081	8,882,516	8,234,353
Amortised Government Grants	822,046	Nil	Nil	822,046	629,848
Revenue Grants	Nil	Nil	Nil	Nil	Nil
Total Turnover from Social Letting	9,286,960	406,521	11,081	9,704,562	8,864,201
Management Services	1,897,661	154,832	16,148	2,068,642	2,011,866
Planned and Cyclical Maintenance	216,420	20,421	0	236,841	167,838
Reactive Maintenance	666,031	253	0	666,283	1,113,028
Rent Losses from Bad Debts	914,105	221	0	914,326	818,117
Depreciation of Social Housing	39,753	158	0	39,911	80,027
Total Operating Costs	2,396,736	40,956	0	2,437,692	2,261,786
Operating Surplus / (Deficit)	6,130,706	216,841	16,148	6,363,695	6,452,662
Operating Surplus / (Deficit) for 2019	3,156,254	189,680	(5,067)	3,340,866	2,411,539

Note: All Major Repair costs not capitalised are included in Planned and Cyclical Maintenance. There was no impairment of social housing.

# ANGUS HOUSING ASSOCIATION LIMITED



## NOTES TO THE ACCOUNTS

For the reporting date 31<sup>st</sup> March 2020

### 3 PARTICULARS OF INCOME AND EXPENDITURE FROM LETTINGS (continued)

The number of units of housing under development and in management at 31st March 2020 was:

	Units under Development		Units in Management	
Housing accommodation for letting	2020	2019	2020	2019
New build – Shared Ownership	Nil	Nil	5	5
New build – Rented	44	104	1,503	1,420
Rehabilitation – Rented	Nil	Nil	503	420
Rehabilitation – Sheltered	Nil	Nil	Nil	80
	44	104	2,011	1,925

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

	Grants from Scottish Ministers	Other Income	Total Turnover	Operating Costs - Bad Debts	Other Operating Costs	2020 Operating Surplus/ (Deficit)	2019 Operating Surplus/ (Deficit)
	£	£	£	£	£	£	£
Non RTB Property Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Development for sale to Registered Social Landlords	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grant Funded Disabled Adaptations	112,412	Nil	112,412	Nil	103,759	8,653	(4,836)
Agency / Management services for Registered Social Landlords	Nil	Nil	Nil	Nil	Nil	Nil	19,500
Factoring	Nil	107,337	107,337	11,686	52,002	43,649	28,389
Other Activities	Nil	78,943	78,943	Nil	77,099	1,844	9,953
<b>TOTAL</b>	<b>112,412</b>	<b>186,280</b>	<b>298,692</b>	<b>11,686</b>	<b>232,860</b>	<b>54,146</b>	<b>53,006</b>
<b>Total 2019</b>	<b>72,959</b>	<b>1,958,178</b>	<b>2,031,137</b>	<b>3,643</b>	<b>1,974,488</b>	<b>53,006</b>	

Note: There were no other revenue grants received for the above activities.

The following operating costs are not applicable for the year ended 31<sup>st</sup> March 2020:

- Care & Repair of Property
- Care Activities
- Other Agency / Management Services
- Homestake.

# ANGUS HOUSING ASSOCIATION LIMITED



## NOTES TO THE ACCOUNTS

For the reporting date 31<sup>st</sup> March 2020

### 5 GAIN / (LOSS) ON SALE OF FIXED ASSET

	Shared Ownership Properties	Other Properties	2020 Total	2019
	£	£	£	£
Proceeds	Nil	Nil	Nil	Nil
Cost of Disposal	Nil	Nil	Nil	Nil
Gain / (Loss)	Nil	Nil	Nil	Nil

### 6 INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£	£
Bank loans and overdrafts	1,273,737	1,168,284
Interest on defined benefit pension liability	55,000	52,000
	1,328,737	1,220,284

### 7 SURPLUS FOR THE YEAR

This is stated after charging:	2020	2019
	£	£
Auditors' remuneration (including VAT) - external audit	14,460	11,220
- other services	Nil	42,598
- internal audit	6,636	350
Donations to Local Charities	Nil	Nil
Operating Leases	31,173	31,173
(Gain) / loss on disposal of fixed asset	Nil	Nil
Depreciation of housing properties	2,437,692	2,261,786

### 8 STAFF COSTS

At the year-end there were 39 full time equivalent employees (2019 : 42). Staff costs during the year amounted to :

	2020	2019
	£	£
Wages and Salaries	1,549,623	1,436,426
National insurance	195,339	150,074
Pensions	139,608	134,721
	1,884,570	1,721,221

	No.	No.
The average number of persons directly employed by the Association during the year was	48	47



## NOTES TO THE ACCOUNTS

For the reporting date 31<sup>st</sup> March 2020

### 8 STAFF COSTS (continued)

#### KEY MANAGEMENT PERSONNEL

As per the Scottish Housing Regulator's Determination of Accounting Requirements 2014, disclosure of key management personnel's emoluments exceeding £60,000 per annum is required.

	2020 £	2019 £
The total emoluments payable to key management personnel and former key management personnel amount to:-		
Emoluments excluding employers pension	Nil	84,516
Employers pension contributions	Nil	22,097
	<u>Nil</u>	<u>106,613</u>

The emoluments (including pension contributions but excluding redundancy payments) of the Officers were in the following ranges:

	No.	No.
£60,000 - £70,000	-	-
£70,001 - £80,000	3	3
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,00	0	1
	<u>3</u>	<u>4</u>

No emoluments were paid to any member of the Committee.



# ANGUS HOUSING ASSOCIATION LIMITED



## NOTES TO THE ACCOUNTS

For the reporting date 31<sup>st</sup> March 2020

### 9 TANGIBLE FIXED ASSETS

<b>a) Housing Properties</b>	Wholly Owned Completed	Wholly Owned in Course of Construction	Shared Ownership Completed	Total
<b>Cost:</b>	£	£	£	£
At 1 <sup>st</sup> April 2019	125,369,594	11,650,045	134,231	137,153,870
Additions during year	4,337,719	3,014,583	Nil	7,352,302
Transfer to current assets	Nil	Nil	Nil	Nil
Transfer	11,304,847	(11,304,847)	Nil	Nil
Disposals in year	(451,733)	(31,149)	Nil	(482,882)
At 31 March 2020	140,560,427	3,328,632	134,231	144,023,290
<b>Depreciation:</b>				
At 1 <sup>st</sup> April 2019	27,678,668	Nil	Nil	27,678,668
Transfer to current assets	Nil	Nil	Nil	Nil
Disposals in year	(280,555)	Nil	Nil	(280,555)
Charge for year	2,271,172	Nil	Nil	2,271,172
At 31 <sup>st</sup> March 2020	29,669,285	Nil	Nil	29,669,285
<b>Net book value:</b>				
At 31 <sup>st</sup> March 2020	110,891,142	3,328,632	134,231	114,354,005
At 31 <sup>st</sup> March 2019	97,690,926	11,650,045	134,231	109,475,202

Total works carried out on housing properties for the year ended 31<sup>st</sup> March 2020 was £2,415,482 (2019 - £3,334,349). Of this total £1,746,834 (2019 - £2,178,101) was capitalised above and £668,395 (2019 - £1,156,147) was expensed in the income and expenditure statement in line with recommended practice.

During the year the Association had capitalised salary costs of £357,888 (2019 - £343,0183)

<b>b) Fixed Asset Investments</b>	Homestake	Subsidiary	Total
<b>Cost:</b>	£	£	£
As 1 <sup>st</sup> April 2019	216,867	1	216,868
Additions during the year	Nil	Nil	Nil
As at 31 <sup>st</sup> March 2020	216,867	1	216,868
Net book value At 31 <sup>st</sup> March 2019	216,867	1	216,868

The wholly owned subsidiary Musselcrag Limited was dormant throughout the financial year.

# ANGUS HOUSING ASSOCIATION LIMITED



## NOTES TO THE ACCOUNTS

For the reporting date 31<sup>st</sup> March 2020

### 9 TANGIBLE FIXED ASSETS (continued)

c) Other	Office & Lounges	Computer Equipment	Office Equipment	Total
Cost:	£	£	£	£
At 1st April 2019	1,092,918	424,263	147,461	1,664,642
Additions during year	Nil	44,750	617	45,367
Disposals during year	Nil	Nil	Nil	Nil
At 31st March 2020	1,092,918	469,013	148,077	1,710,009
<b>Depreciation:</b>				
At 1st April 2019	375,914	415,569	147,461	938,944
Disposals during year	Nil	Nil	Nil	Nil
Provided during year	21,202	8,694	Nil	29,896
At 31st March 2020	397,116	424,263	147,461	968,840
<b>Net book value:</b>				
At 31st March 2020	695,802	44,750	617	741,169
At 31st March 2019	717,004	8,694	Nil	725,698

### 10 DEBTORS

	2020	2019
	£	£
Amounts falling due within one year:		
HAG Receivable	250,720	486,435
Rental Debtors	293,465	211,064
Recharge Account Debtors	33,693	29,375
Other Debtors	87,508	1,168,583
Prepayment and accrued income	145,898	94,275
	811,284	1,989,732

The Rental and Recharge Debtors figures shown above are net of the current Provision for Bad Debts of £202,914 (2019 : £172,076). The provision ensures that 50% of the outstanding Ex-Tenant Rent and 100% of the Ex-Tenant Recharge Balances were provided for. Rental Debtors accounts for £46,402 of the provision with the remaining £156,512 deducted from the Recharge Account Debtors.

### 11 PROPERTY HELD FOR SALE

	Net Book Value
	£
As at 1 <sup>st</sup> April 2019	Nil
Additions in year	Nil
Sold during the year	Nil
At 31 <sup>st</sup> March 2020	Nil

# ANGUS HOUSING ASSOCIATION LIMITED



## NOTES TO THE ACCOUNTS

For the reporting date 31<sup>st</sup> March 2019

### 12 STOCK OF MAINTENANCE SUPPLIES

	2020 £	2019 £
Stock of Various Items of Ironmongery	9,953	9,487
The stock has been valued at the lower of cost and net realisable value		

### 13 CREDITORS : amounts falling due within one year

	2020 £	2019 £
Loans (note 14)	1,510,584	1,429,336
Trade creditors	1,070,010	1,406,336
Deferred Income	851,442	Nil
HAG Repayable	Nil	3,859
Lead Tenancies Major Repairs Provisions	13,147	139,710
Furnishings Specialist Equipment	Nil	8,039
Pension Provision	Nil	Nil
Rent in advance	210,155	202,974
Other creditors	Nil	43,177
	<u>3,655,338</u>	<u>3,233,420</u>

### 14 CREDITORS : amounts falling due after more than one year

	2020 £	2019 £
Loans	45,825,366	32,966,307
Deferred income	765,216	765,216
Housing association grants	64,411,408	63,088,094
	<u>111,001,990</u>	<u>96,819,617</u>

Housing property loans are secured by specific charges on the Association's properties and are repayable at varying rates of interest in instalments due as follows:

	2020 £	2019 £
Within one year	1,510,584	1,429,336
Between one and two years	1,537,648	1,463,194
Between two year and five years	4,542,755	4,440,258
After five years	39,744,963	27,062,855
	<u>47,335,950</u>	<u>34,395,643</u>
Included in creditors: amounts falling due within one year	(1,510,584)	(1,429,336)
	<u>45,825,366</u>	<u>32,966,307</u>

# ANGUS HOUSING ASSOCIATION LIMITED



## NOTES TO THE ACCOUNTS

For the reporting date 31<sup>st</sup> March 2020

### 14 CREDITORS : amounts falling due after more than one year (cont'd)

Analysis of changes in loan financing during the year:

	2020	2019
	£	£
At 1 <sup>st</sup> April 2019	34,395,643	30,379,205
New loans taken out	14,446,000	5,300,000
Amounts repaid	(1,377,137)	(1,283,562)
At 31 <sup>st</sup> March 2020	47,464,506	34,395,643

### Derivatives

The Association is not permitted to enter into speculative transactions with financial instruments. The Association follows the guidance set out by the Scottish Housing Regulator. Any financial instrument entered into by the Association is covered by underlying loans. As part of its Treasury Management Policy the Association uses financial derivatives to achieve interest rate certainty. At 31<sup>st</sup> March 2020 the Association has one interest rate SWAP as follows:-

Institution	Notional Amount	Rate	Start	End
Royal Bank of Scotland plc	£7.6 million	5.70%	04/11/02	04/11/32

### 15 SHARE CAPITAL

	2020	2019
	£	£
Shares of £1 each		
At 1 <sup>st</sup> April 2019	50	52
Issued	2	2
Cancelled	(5)	(4)
At 31 <sup>st</sup> March 2019	47	50

### 16 REVENUE RESERVE

The income and expenditure reserve represents cumulative surplus and deficits net of other adjustments

# ANGUS HOUSING ASSOCIATION LIMITED



## NOTES TO THE ACCOUNTS

For the reporting date 31<sup>st</sup> March 2020

### 17 CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Surplus for year	3,394,698	2,464,545
Depreciation and impairment of tangible fixed assets	2,301,068	2,378,579
Amortisation of housing association grant	(822,046)	(629,848)
Disposals of tangible fixed assets	202,267	-
Decrease in property held for sale	Nil	289,987
(Increase) / decrease in stock	(466)	(1976)
(Increase) / decrease in trade and other debtors	1,178,448	(856,919)
Increase / (decrease) in trade and other creditors	(521,994)	(74,226)
Gain / (Loss) in respect of pension scheme	2,046,000	(-)
Increase / (Decrease) in provisions	(2,372,123)	(-)
Share capital written off	(3)	Nil
Government Grants utilised in year	Nil	Nil
<b>Net cash flow from operating activities</b>	<b>5,405,849</b>	<b>3,570,142</b>

### 18 ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2019	Cashflows	At 31 March 2020
	£	£	£
Cash at Bank and in Hand	1,801,986	12,753,002	14,554,988
Short Term Deposits	460,572	7,471	468,043
	<u>2,262,558</u>	<u>12,760,473</u>	<u>15,023,031</u>
Debt Due within one year	(1,429,336)	(81,248)	(1,510,584)
Debt Due after one year	(32,966,307)	(12,859,059)	(45,825,366)
Total	<u>(32,133,085)</u>	<u>(179,834)</u>	<u>(32,312,919)</u>

### 19 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2020	2019
	£	£
Increase/ (Decrease) in cash in the year	12,753,002	(647,339)
<b>Increase/(Decrease) in short term deposits in the year</b>	<u>7,471</u>	<u>(1,189,194)</u>
	<u>12,760,473</u>	<u>(1,836,533)</u>
Cash Inflow from increase in net debt	(12,940,307)	(4,017,334)
	<u>(179,834)</u>	<u>(5,853,867)</u>
Net Debt at 1 <sup>st</sup> April 2019	<u>(32,133,085)</u>	<u>(26,279,218)</u>
Net Debt at 31 <sup>st</sup> March 2020	<u>(32,312,919)</u>	<u>(32,133,085)</u>



## 20 RETIREMENT BENEFITS

The Association participates in the Scottish Housing Associations' 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 Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30<sup>th</sup> December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. A Recovery Plan has been put in place to eliminate the deficit, which runs to 28<sup>th</sup> February 2022 for the majority of employers, although certain employers have different arrangements.

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

For financial years ending on or before 28<sup>th</sup> February 2019 it has not been possible for the Association to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme, therefore the Association has accounted for the Scheme as a defined contribution Scheme

For financial years ending on or after 31<sup>st</sup> March 2019 it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme.

For accounting purposes two actuarial valuations for the Scheme were carried out with effective dates of 31 March 2018 and 30 September 2018. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used to calculate the Association's net deficit or surplus at the accounting period start and end dates.

# ANGUS HOUSING ASSOCIATION LIMITED



## 20 RETIREMENT BENEFITS (continued)

### Present values of defined benefit obligation, fair value of assets & defined benefit asset (liability)

	2020 £(000's)	2019 £(000's)
Fair value of plan assets	10,164	9,471
Present value of defined benefit obligation	10,075	11,872
Surplus / (Deficit) in plan	89	(2,401)
Unrecognised surplus	89	-
Defined benefit asset / (liability) to be recognised	-	(2,401)

### Reconciliation of the impact of the Asset Ceiling

	2020 £(000's)
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (Gains) on asset ceiling	89
Impact of asset ceiling at end of period	89

### Reconciliation of opening and closing balances of the defined benefit obligation

	2020 £(000's)
Defined benefit obligation at start of period	11,872
Current service cost	280
Expenses	8
Interest Expense	276
Contributions by plan participants	141
Actuarial losses (gains) due to experience	(579)
Actuarial losses (gains) due to changes in demographic assumptions	(62)
Actuarial losses (gains) due to changes in financial assumptions	(1,336)
Benefits paid and expenses	(525)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined Benefit obligation at end of period	10,075



## 20 RETIREMENT BENEFITS (continued)

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

	2020 £(000's)
Fair value of plan assets at start of period	9,471
Interest income	221
Experience on plan assets(excluding amounts included in interest income- gain / (loss)	446
Contributions by Employer	410
Contributions by plan participants	141
Benefits paid and expenses	(525)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rates change	-
Fair value of plan assets at end of period	10,164

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £291,000.

### Defined benefit costs recognised in statement of comprehensive income (SoCI)

	2020 £(000's)
Current service cost	280
Expenses	8
Net interest expense	55
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCI)	343



# ANGUS HOUSING ASSOCIATION LIMITED



## 20 RETIREMENT BENEFITS (continued)

### Defined Benefit Costs recognised in other comprehensive income

	2020 £(000's)
Experience on plan assets(excluding amounts included in net interest cost – gain (loss)	446
Experience gains and losses arising on the plan liabilities – gain (loss)	579
Effects of changes in the demographic assumptions underlying the present value Of the defined benefit obligation – gain (loss)	62
Effects of changes in the financial assumptions underlying the present value Of the defined benefit obligation – gain (loss)	1,336
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable gains (loss)	2,423
Effect of changes in the amount of surplus that is not recoverable (excluding amounts Included in net interest cost) – gain (loss)	(89)
Total amount recognised in other comprehensive income – gain (loss)	2,334

### Assets

	2020 £(000's)	2019 £(000's)
Global Equity	1,398	1,524
Absolute Return	624	802
Distressed Opportunities	185	162
Credit Relative Value	245	164
Alternative Risk Premia	815	529
Fund of Hedge Funds	-	26
Emerging Markets Debt	361	304
Risk Sharing	322	275
Insurance- Linked Securities	273	246
Property	189	188
Infrastructure	599	397
Private Debt	201	122
Opportunistic Illiquid Credit	248	-
Corporate Bond Fund	743	664
Liquid Credit	266	-
Long lease Property	248	115
Secured Income	564	330
Over 15 year Gilts	129	243
Index Linked All Stock Gilts	0	0
Liability Driven Investment	2,677	3,370
Net Current Assets	77	10
<b>Total Assets</b>	<b>10,164</b>	<b>9,471</b>

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



## 20 RETIREMENT BENEFITS (continued)

### KEY ASSUMPTIONS

	2020 % per annum	2019 % per annum
Discount Rate	2.35%	2.33%
Inflation (RPI)	2.56%	3.28%
Inflation (CPI)	1.56%	2.28%
Salary Growth	2.56%	3.28%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 (Years)
Male retiring in 2020	21.5
Female retiring in 2020	23.2
Male retiring in 2040	22.8
Female retiring in 2040	24.5

## 20 RELATED PARTY TRANSACTIONS

Four members of the Committee are also tenants of the Association. The tenancies are on the same terms as for other tenants and no advantage can be gained from the position.

During the financial year, Committee members were charged rent totalling £17,966 (2019 - £17,536). As at 31 March 2020 £72.39 (2019 - £Nil) was due to the Association.

Where members of the Committee are also councillors or employees of related local authorities, there are no transactions to disclose that were not made at arm's length or not made under the normal commercial terms.

No Board members received remuneration however members of the management board were reimbursed for out of pocket expenses amounting to £1,300 (2019 - £1,523).

## 21 CAPITAL COMMITMENTS

	2020 £	2019 £
Contracted less certified	2,092,200	2,365,773
Authorised but not contracted	Nil	Nil

The Committee of Management expects the majority of the expenditure they have authorised to be fully financed by Housing Association Grant from The Scottish Government or by mortgages from private sector lenders.

# ANGUS HOUSING ASSOCIATION LIMITED



## NOTES TO THE ACCOUNTS

For the reporting date 31st March 2020

### 22 OTHER COMMITMENTS

The Association's total commitments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Other operating leases		
Within one year	34,193	1,271
Between one and five years	42,766	45,229
	<u>76,959</u>	<u>46,500</u>

### 23 SUBSIDIARIES INFORMATION

Details of the investments in which the company holds more than 10% of the nominal value of any class of share capital are as follows:

Name of Company	Country of Registration or Incorporation	Date of Incorporation	Proportion of Voting Rights	Nature of Business
<b>Subsidiary Undertakings</b> Musselcrag Limited	Scotland	19/08/2010	Wholly Controlled	Dormant since incorporation

### 24 CONTINGENT LIABILITY

The Association participates in a multi-employer pension scheme. Should the Association leave the scheme, the amount of employer debt has been estimated at £8,299,981 as at September 2019. At this time, there is no plan for leaving the scheme. The Association has taken the decision to close the Defined Benefit structure to all staff, replacing it with the Defined Contribution option, which remains within the SHAPS scheme.