

**ARDENGLLEN HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**Registered Housing Association No. HCB 219**

**Financial Conduct Authority No. 2339R(S)**

**Charity No. SC032542**

**RSM UK AUDIT LLP**  
**Chartered Accountants**

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

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**Registration Particulars:**

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered Number 2339R(S)
Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered Number HCB219
Charity No.	Charities and Trustee Investment (Scotland) Act 2005 Scottish Charity Number SC032542

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

**BOARD OF MANAGEMENT, EXECUTIVES AND ADVISORS**

The members of the Board of Management of the Association who served during the year to 31 March 2020 and up to the date of signing of these financial statements were as follows:

Maureen Cope MBE	(Chairperson)
Liz McKenzie	(Vice Chairperson)
Isa Brier	(Treasurer)
Elaine MacPhail	
Ann Marie Docherty	
Sharon Richford	
Karen McDonagh	
Frank Young	
Mary Claire Eardley	
Mark Ingra8	
Alex Warren	
Lucy Carr	
Richard Mahon	Appointed 10 September 2019

**Company Secretary**  
Audrey Simpson

**Senior Management Team**

Audrey Simpson	Chief Executive Officer
Diane Hendry	Director of Operations
David Byfield	Director of Finance, Digital and Corporate
Pamela Forrest	Operations Manager

**Auditors**

RSM UK Audit LLP  
Chartered Accountants  
3<sup>rd</sup> Floor  
Centenary House  
69 Wellington Street  
GLASGOW, G2 6HG

**Internal Auditors**

Wylie & Bisset  
168 Bath Street  
Glasgow, G2 4TP

**Bankers**

Bank of Scotland  
82 Main Street  
Rutherglen  
Glasgow, G73 2HZ

**Solicitors**

TC Young  
7 West George Street  
Glasgow, G2 1B

## **ARDENGLLEN HOUSING ASSOCIATION LTD**

**For the year ended 31 March 2020**

### **REPORT OF THE BOARD OF MANAGEMENT**

The Board of Management present their report and audited financial statements for the year ended 31 March 2020.

#### **Legal Status**

Ardenglen Housing Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No. 2339R (S). The Association is governed under its Rule Book. Ardenglen Housing Association is a Registered Scottish Charity, registration no. SCO32542.

#### **Overview**

Ardenglen Housing Association is a social landlord and registered charity operating in the Castlemilk area of South Glasgow. Our offices and housing stock are positioned at the foot of Cathkin Braes Country Park and Cathkin Braes Mountain Bike Trails, being the highest point in Glasgow. Ardenglen Housing Association was formed in February 1990 with the aim of providing high quality social housing and large scale regeneration. The Association fully owns a subsidiary company Ardenglen Developments Limited.

Ardenglen Housing Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society, the Office of the Scottish Charity Regulator (OSCR) as a Scottish Charity and the Scottish Housing Regulator (SHR) as a Register Social Landlord.

The principal business of Ardenglen Housing Association is the provision and management of affordable housing for rent. As of 31 March 2020 the Association owned 982 properties for social rent and seven shared ownership properties. The Association also owns some commercial units, mainly 6 shop units on Tormusk Road.

Ardenglen's activities are primarily regulated by the Scottish Housing Regulator who publishes a Regulation Plan which sets out the level of engagement they will have for all social landlords on an annual basis.

During 2019/20 the Scottish Housing Regulator (SHR) published the Ardenglen Housing Association's engagement plan which advised that the Regulator did not require any further assurance from Ardenglen Housing Association Ltd (Ardenglen) other than the annual regulatory returns required from all RSLs.

Over the course of 2019/20 significant progress was made with regards to the Association's new build development consisting of 22 new homes for social rent. As such all properties have now been allocated and families are benefiting from high quality build with enhanced energy efficiency.

The Association carried out a collaborative exercise with the Board and Staff Team to develop a Strategic Map covering 2019-21. The Strategic Map is now firmly embedded within the business and defines our organisational purpose values and Vision

#### **Our Purpose**

*"We are a leading not for profit landlord providing high quality homes and services for our customers in South Glasgow"*

## **REPORT OF THE BOARD OF MANAGEMENT (Continued)**

### **Our Vision**

*“Transforming communities by providing aspirational homes and services, to enhance the quality of life of our customers”*

### **Our Values**

- Customer and Community Focused
- Accountable
- Making a Difference
- Innovative

Everything we do as an organisation flows from our Strategic Objectives:

- Services: Deliver first class customer services
- Communities: Provide quality homes, communities and sustainable tenancies
- Financial & Leadership: Achieve robust financial management and governance excellence
- People: Empower, develop and engage our staff
- Partnerships: Build strong collaborative relationships locally and nationally

### **Strategy for Achieving Objectives**

Following a full strategic review in March 2019, the past year has had a sharp focus on embedding our new values and delivering on our new strategic objectives.

To be a great organisation we recognise that we need to get two things right. Firstly we need to keep our finances strong. If we don't, we can't achieve our vision and strategic objectives. Secondly and directly related to the first, we need to deliver the things our customers want and expect from their landlord and in a way that achieves value for money.

There is no doubt our operating environment will remain challenging with a number of external changes that are out with our control. However, with strong and effective governance, leadership and financial and treasury management, we can continue to thrive through challenging times. As an organisation we keep ourselves up to date with local, national, political and economic movement as well as future projections.

The key areas that are out with our control that impact on our business include changes to legislation, regulation, inflation, pension deficit and political factors such as Brexit. The last quarter of the financial year brought unprecedented challenges due to Covid 19 and what became a global pandemic. The country was placed on 'lockdown' at the end of the financial year, requiring a rapid shift in our operating environment, systems and procedures to ensure the safety of our tenants, staff, Board, volunteers, contractors and wider community.

Moving forward, our strategic plan is about successfully navigating the future and leading a root a branch review of our services, policies, procedures and operating environment on the back of the pandemic. In addition we will ensure we have excellent governance and leadership, clarity of vision, a very strong financial base and a culture committed to exceptional customer service. We want to also ensure we are offering new ways for customers to connect with us, including developing our digital platforms to enhance access services.

## **REPORT OF THE BOARD OF MANAGEMENT (Continued)**

### **Business Model**

The Association has seen considerable change over the past three years with a focus on business renewal, clarity of purpose, building staff resilience and developing our leadership team. We launched a new approach to embed innovation within the organisation and a cultural shift to encourage and listen to new ideas. Empowering our employees is key to enhanced productivity and achieves high performance.

We want to ensure our tenants and other customers are central to our business decisions and customer feedback is recognised as the 'evidence platform' to drive improvements and set our priorities. We conducted our three yearly tenant satisfaction survey and our delivery plans were developed with this feedback in mind. Tenant engagement features on our plans for the future, looking at enhanced and new ways to connect with people.

Year on year we see increased pressure on our income and this drives our value for money culture. We need to achieve more with the resources we have available. The effective control of all operating costs and overheads is critical and over the last few years we have become leaner and more effective. We need to continue to drive value for money harder so that a more cost conscious culture is embedded.

Financial strength and strong treasury management is critical to delivering our vision and goals. Our focus is on making the right decisions for the long term and our plans for the future are built on delivering planned efficiencies and taking measured risks in order to achieve our objectives.

As a landlord, a developer and a provider of social and economic regeneration, we recognise that our customer expectations are changing and that we have to continuously improve our services. We must also recognise and be mindful of the changing demographics, particularly around an aging population. It is important that we know who our customers are, now and in the future, and ensure our services are accessible to all, identifying solutions to eradicate any barriers, or potential barriers.

The external environment has changed dramatically with public austerity measures meaning Ardenglen and our partners need to do more with less, demonstrate the value for money of our services and focus on performance.

This is the challenge our Business Model must face. A strong social ethos has been the backbone of our success; however this must be linked to a commitment to commercial efficiency, without which we would not have the resources to deliver those objectives.

### **Review of the business**

The Association continued to focus on customer services, where we embraced a more radical long term agenda of rethinking of our housing systems and how we deliver services. This has included the incorporation of "Lean" management with an emphasis on removing waste or work activities which do not create customer value.

We looked at what matters most to our customers and rather than simply looking at "costs" in isolation, instead turned our attention on the cause of costs. It involved taking a fresh look through the eyes of our customer's at our services as a system and we designed policies and procedures to deliver that system in the most efficient way.

## **REPORT OF THE BOARD OF MANAGEMENT (Continued)**

This is an ongoing process which we believe will continue to produce efficiencies which will assist in keeping rents affordable.

Ardenglen was pleased therefore that our 2019 Customer Satisfaction Survey reported that *"taking into account the accommodation and services Ardenglen provides"*, 94% of customers thought this represented good Value for Money.

Overall satisfaction levels with Ardenglen's services sat at 96% in 2016 with minor movement to 94% in 2019. Satisfaction with the Repairs Service has remained very high at 92% and over 99% of tenants said Ardenglen was good at keeping them informed about services or decisions.

### **Future Developments**

Ardenglen's future prospects are directly linked to achieving success in the five strategic goals we have set ourselves over the next five years:

#### ***Strategic Objective 1 - Services: Deliver first class customer services***

Our customers need to be at the centre of everything we do and we want to provide reliable and valued services for them. We regularly ask our customers what is important to them and will respond to their priorities in the development of our services. The Scottish Housing Charter sets out the standards and results we should achieve and we will work to continuously improve the outcomes for customers.

We are aware that customers put a high value on being kept informed and involved in decisions that affect them and we need to ensure we offer appropriate opportunities for participation. We are delighted that in our recent tenant satisfaction survey, 99% of tenants said Ardenglen was good at keeping them informed about services and decisions. Our customers have been through a tough few years with austerity cuts and we know this will continue over the coming years, particularly with the anticipated impact from the pandemic. Welfare Reform continues to place a significant risk to our tenants and other residents. We continue to review our Welfare Reform Strategy setting out what we will do to mitigate the risk and support our tenants.

Going forward we will be developing a customer engagement strategy, developing our approach to how we engage with our customers, harness business intelligence to drive service improvements, and link this into our delivery plans.

We pride ourselves on being a listening and learning organisation. We value complaints and have a robust system and culture to ensure we learn when things do not go right. This feedback from customers is invaluable, and gives us great insight for shaping services. We pride ourselves on minimising recurring complaints, truly demonstrating our commitment to continuous learning and improving.

We offer a welfare rights services two days a week, in partnership with Money Matters. This service is highly valued by customers and has been extremely successful over the past year. This service has successfully engaged with 232 customers, resulting in financial gains of £604,941.

**REPORT OF THE BOARD OF MANAGEMENT (Continued)**

***Strategic Objective 2 – provide quality homes, communities and sustainable tenancies***

We recognise that repairs are often the service most valued by customers and we will keep working with our partners to continuously improve the service we deliver and ensure our homes are well maintained. Mears were our contractor for this year and worked with us to deliver our day to day repairs service and overseeing the works required when properties become empty, preparing them for allocating to a new tenant.

We know fuel poverty is a real concern for our customers. We have continued to improve the energy efficiency of our homes resulting in 100% compliance with the Energy Efficiency Standard for Social Housing (EESH) which will become mandatory in 2020. We will continue to offer services to ensure our customers can access advice around fuel and tariffs.

In close consultation with our tenants and applicants we developed and implemented a new allocations policy, in line with the Housing (Scotland) Act 2014 and deliver a number of initiatives to support tenancy sustainment.

We were extremely proud to complete our new build development 'Cathkin 7' during this financial year. This brought an investment of £3.7m and provided 22 new homes for social rent in Castlemilk. Ardenglen's 'Cathkin 7' project creates a new landmark development where once there were disused school playing fields at the former St Martins primary school.

The development consists of 15 one, two and three bedroom flats, four two-bedroom houses and three wheelchair-accessible flats. The new housing has come about with financial assistance from Glasgow City Council and the Scottish Government of just over £2 million.

***Strategic Objective 3 – Financial & Leadership – achieve robust financial management and governance excellence***

We continue to operate in a volatile and uncertain environment. While this creates risk, our response is all about managing our threats and opportunities and creating an environment of 'No Surprises.'

Strong and effective governance is fundamental to our success. We commissioned an independent governance review during the course of 2018/19 to demonstrate compliance against the Regulatory Standards of Governance and Financial Management. Our Board of Management have embedded a Governance Leadership Charter which makes a commitment to continue to develop and improve our governance, making us stronger for the future.

A new Regulatory Framework come into effect, including the introduction of Annual Assurance Statements. Our Board engaged in a robust process to ensure compliance against the regulatory framework and submitted our first Annual Assurance Statement to the regulator.

A number of Ardenglen strategic events were held with the Board, with a full strategic review taking place. This resulted in a new vision, values, purpose and strategic objectives being developed and launched in the form of a new strategic map. In addition our Board had in-depth discussion around strategic risk and approved our new strategic risk register.

Housing Associations in Scotland came under the Freedom of Information Act from November 2019. We developed new policies, procedures and systems to ensure our compliance in this area.



## **REPORT OF THE BOARD OF MANAGEMENT (Continued)**

### **Strategic Objective 4 – People – Empower, develop and engage staff**

Every employee has a crucial role to play in delivering our goals. We aim to continue to develop a culture of challenge and support to help our people succeed and develop and build their careers. We successfully retained our Investors in People Accreditation, however, we have developed an ambitious action plan to ensure we continue to develop a positive culture, systems, processes and behaviours to maximise our success, drive improvements in performance and explore innovative ways of working.

We have been developing our approach to ensure staff feel empowered and valued. Staff were fully involved in shaping our new vision, values, purpose and strategic objectives, in partnership with the Board.

A programme of leadership and management training was rolled out for all staff with line management or supervisory responsibility, thus ensuring our staff are equipped with the tools to fulfil their job role to the best of their ability.

### **Strategic Objective 5 – Partnerships – build strong collaborative relationships locally and nationally**

National austerity measures have put our customers under unprecedented economic and social pressure. We are now the “anchor” organisation for our community and our regeneration work is aimed at building partnerships to address vital “non-housing” issues such as health, work, learning and engagement.

We continued to be an active partner in Castlemilk Together, a community food action group made up of housing associations, community organisations’ and churches formed to tackle food insecurity in the Castlemilk area. Castlemilk is a ‘food desert’ and the community has identified this as a key priority for the local area.

We continued to deliver our TOWiE programme from the Maureen Cope Community Hall. The programme offered a range of services to build community capacity, tackle social isolation, and health and financial inequality. The services and community hall are supported by our hard working community committee. A team of volunteers dedicated to providing opportunities for local people.

We were successful in securing a range of grants to support our social regeneration activity. In response to Castlemilk being a food desert, we scoped a project to bring a Food Pantry to Castlemilk. A membership scheme offering access to affordable fresh food. We were successful in securing funding to support the Pantry, including Investing in Communities Funding from the Scottish Government and capital investment funding from Glasgow City Council. Although Ardenglen are leading on the project, we developed a funding consortium and partnership model, working with a number of partners, including neighbouring housing associations.

### **Principal Risks and Uncertainties**

There is no escaping the changing economic, political and social environment in which we now operate and the risks and demands which have resulted.

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

**REPORT OF THE BOARD OF MANAGEMENT (Continued)**

It is a regulatory requirement for the Board to base its decision on good quality information and advice and identify and mitigate risks to the organisation's purpose.

By managing our threats effectively we will be in a stronger position to deliver our business objectives. By managing our opportunities well we will be in a better position to provide improved services and achieve better value for money.

The Association has developed an organisational structure, a range of policies, procedures and comprehensive insurances, which together make up the Risk Management Strategy which aims to be transparent, co-ordinated, publicly credible and effective.

Regular review of the Risk Register ensures that we achieve our stated business and strategic planning aims and objectives. The resultant risk map is reviewed in detail by the Audit and Risk Sub Committee on a quarterly basis to consider actions to mitigate existing and emerging risks. The work of this Committee is reported to the Board of Management. The Associations "Top Five" Risks have been identified as:

<b>Risk Description</b>	<b>Risk Mitigation Actions</b>
Regulatory Compliance: Failure to comply with the Regulation of Social Housing in Scotland Framework	(A) Independent governance self-assessment complete. (B) Governance Action Plan (C) Training for Board and Staff on new Regulatory framework. (D) Continuous review of performance (E) External audit (F) Suite of governance policies and procedures in place i.e. whistleblowing (G) Policies, procedures and reports linked to regulatory standards (H) Various regulatory returns (I) Tenant Satisfaction Survey (J) Robust Complaints procedures (K) Training programme on regulatory/governance topics (L) Board appraisal process
Welfare Reform: Shift to direct payment of benefit to tenants' results in loss of income through non-payment of rent	A) Welfare Reform Strategy and Action Plan implemented B) Communication strategy has been put in place to ensure all know that the responsibility for payment is with the tenant C) Sensitivities on increased rent arrears part of updated business plan D) Organisational Re-structure enhancing front line resources E) Welfare Rights services F) Staff training on changes G) Engaging with DWP, SFHA, GWSF and local RSL's. H) Specialist software introduced to manage rent arrears effectively
Health & Safety: Failure to comply with Health and Safety Regulations	A) Health and Safety roles clearly defined B) Staff and Board training C) Adopt EVH H&S Landlord manual D) H&S Audit and Action Plan E) Twice yearly reporting to the Board F) Fire Risk Assessments G) H&S Working Group H) Gas servicing policy and procedure implemented and target met.

**REPORT OF THE BOARD OF MANAGEMENT (Continued)**

Impact of Brexit: Costs increase for repairs and improvements resulting in reduction of programme or changes in specifications	A) Close monitoring of contract and tender costs B) Early review of programmes if costs increase C) Maintaining good communications with tenants if programmes likely to change
Board capacity and prioritisation: The scope and size of change place strain on the Board's capacity and ability to prioritise work reasonably results in delays and deferrals in implementing the changes with falling morale among the whole Board and staff team	A) New annual Board appraisal process B) Training and development plan for Board C) Board recruitment policy D) New Board members recruited

**Key Performance Indicators**

The Association's relevant Key Performance Indicators (KPI's) are based on data submitted in the Annual Return on the Charter (ARC) an annual return made by all Registered Social Landlords to the Scottish Housing Regulator.

Table 1: Summary of Performance Outputs Reported in the ARC

<b>Indicators</b>	<b>2019/20</b>	<b>2018/19</b>	<b>Scottish Average 2018/19</b>
Gross Rent Arrears (Indicator 27)	5.32%	4.14%	N/A
Reactive Repairs "right first time" (Indicator 10)	95.35%	92.56%	92.5%
Satisfaction with Repairs Service (Indicator 12)	91.94%	95.31%	91.7%
Average time to complete Emergency Repair (Indicator 8)	2.2 hours	2.51 hours	3.6 hours
Average time to complete non- Emergency Repair (Indicator 9)	4.72 days	5.35 days	6.6 days
Number of times in the reporting year you did not meet your statutory duty to complete a gas safety check (Indicator 11)	1	100%*	N/A
Anti-Social Behaviour cases resolved in target (Indicator 19)	93.33%	94.23%	87.9%
Average Time to re-let a property (Indicator 35)	8.6 days	10.49 days	31.9 days
Void Rent Loss (Indicator 18)	0.20%	0.14%	0.9%
SHQS Compliance	100%	100%	94.1%

\*100% based on 2018/19 ARC indicator 15: "Annual Gas Safety Inspections" whereby 100% of gas safety inspection completed in 2018/19.

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

**REPORT OF THE BOARD OF MANAGEMENT (Continued)**

The Board of Management is pleased to report that Ardenglen continues to perform extremely well against the relevant Scottish Average Benchmarks.

Further detailed KPI information as well as a useful KPI comparison tool can be found at [www.scottishhousingregulator.gov.uk](http://www.scottishhousingregulator.gov.uk).

**Financial Review**

The Association made a surplus for the year of £183,572 (2019: *surplus* £287,754). During the year, £1.514 million was invested in the housing stock, £101,068 on component renewals and £2.35 million developing new housing units.

Turnover of £4.11 million (2019: £3.99m) was generated in the year (of which £3.97 million relates to the income from the letting of properties at affordable rents). Rent increases during 2019/20 were 2.9%.

At 31 March 2020 £19.94 million was held in reserves.

The SHAPS pension scheme is now be accounted for on a defined benefit basis.

At 31 March 2020 the fair value of our share of the plan assets was an unrecognised surplus of £59k (at 31 March 2019 a liability of £1,003k). This has therefore resulted in a decrease in the liability at 31 March 2020 of £1,003k.

**Principal Activity**

The principal activity of the Association is to build, improve and manage good quality affordable social housing.

**Going Concern**

The Board of Management has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Disclosure of Information to the Auditor**

The members of the Board of Management 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 the auditors.

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

**REPORT OF THE BOARD OF MANAGEMENT (Continued)**

**Auditor**

A resolution for the reappointment of RSM UK Audit LLP as auditor is to be proposed at the forthcoming Annual General Meeting

By Order of the Board of Management.

Name:



Date: 14/9/20.

## **ARDENGLLEN HOUSING ASSOCIATION LTD**

**For the year ended 31 March 2020**

### **STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITIES**

The Co-operative and Community Benefit Societies Act 2014 and Registered Social Housing Association Legislation requires the Board of Management 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 for that period. In preparing these Financial Statements, the Board of Management are 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; and
- Prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board of Management 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 Registered Social Landlords Determination of Accounting Requirements 2019. 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.

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

**THE BOARD OF MANAGEMENT'S STATEMENT OF INTERNAL FINANCIAL CONTROL**

The Board of Management acknowledges their 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; and
- The safeguarding of assets against unauthorised use or disposition.

It is the Board of Management'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 or failure to meet objectives. 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 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 Board of Management 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, authorized and submitted promptly to the relevant regulatory bodies;
- All significant new initiatives, major commitments and investment projects are subject to formal authorization procedures, through the Board of Management;
- The Board of Management receive reports from Senior 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; and
- Formal procedures have been established for instituting appropriate action to correct any weakness identified through external or internal audit reports.

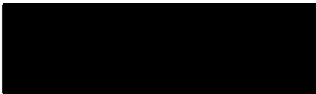
**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

**THE BOARD OF MANAGEMENT'S STATEMENT OF INTERNAL FINANCIAL CONTROL**  
**(continued)**

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

By Order of the Board of Management

Name:



Date: 14-09-2020



**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

**REPORT BY THE AUDITORS TO THE MEMBERS OF ARDENGLLEN HOUSING ASSOCIATION LTD**  
**ON CORPORATE GOVERNANCE MATTERS**

In addition to our audit of the Financial Statements, we have reviewed your statement on Pages 14 and 15 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 Advisory Notes which are 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 through enquiry of certain members of the Board of Management and Officers of the Association and examination of relevant documents. 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 14 and 15 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes 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.



RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

Date: 15 September 2020

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARDENGLLEN HOUSING ASSOCIATION LTD**

**Opinion**

We have audited the financial statements of Ardenglen Housing Association Limited (the 'Association') for the year ended 31 March 2020 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cashflows and notes to the financial statements, 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 FRS 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 income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements - February 2019.

**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 company 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 Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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.

## **ARDENGLLEN HOUSING ASSOCIATION LTD**

### **For the year ended 31 March 2020**

We have nothing to report in this regard.

#### **Opinion on other matters under the Co-operative and Community Benefit Societies Act 2014**

In our opinion, the following continued to apply throughout the year of account:

- the reason given by the Board in respect of a previous year of account for Ardenglen Housing Association subsidiary to not be dealt with in the financial statements (having been approved by the FCA under section 99, subsection (3)); and
- the grounds given by the Board for that reason.

#### **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:

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

#### **Responsibilities of the Board**

As explained more fully in the Board's responsibilities statement set out on page 13 the Board is 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 Board 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 Board is responsible for assessing the company'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 Board either intends to liquidate the company or to cease operations, or have 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/auditorsresponsibilities>. This description forms part of our auditor's report.

**ARDENGLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

**Use of our report**

This report is made solely to the Association's members as a body, in accordance with Part 7 of the cooperative 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.



RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountants  
Third Floor, Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

Date 15 September 2020

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

**STATEMENT OF COMPREHENSIVE INCOME**

	Notes	2020 £	2019 £
<b>Turnover</b>	2	4,114,024	3,989,528
Operating expenditure	2	<u>(3,757,112)</u>	<u>(3,553,632)</u>
<b>Operating Surplus</b>	2	356,912	435,896
(Loss) on disposal of property, plant and equipment	9	(1,567)	(105,816)
Interest receivable	6	14,041	11,743
Interest and financing costs	7	<u>(185,814)</u>	<u>(185,040)</u>
<b>Surplus Before Tax</b>		183,572	156,783
Taxation		-	-
<b>Surplus for the Year</b>		<u>183,572</u>	<u>156,783</u>
Initial recognition of multi-employer defined benefit scheme	23		(452,000)
Gain/(loss) in respect of pension scheme	23	932,000	(139,000)
<b>Total Comprehensive Income for the Year</b>	8	<u>1,115,572</u>	<u>(434,217)</u>

The results for the year relate wholly to continuing activities.

The accompanying notes form part of these financial statements.

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

**STATEMENT OF FINANCIAL POSITION**

	Notes	£	2020 £	2019 £
<b>Fixed Assets</b>				
Housing properties	11.A		24,806,234	22,901,556
Other fixed assets	11.B		472,734	505,722
Investment in subsidiary	12		1	1
			<u>25,278,969</u>	<u>23,407,279</u>
<b>Current Assets</b>				
Trade and other debtors	13	362,918		270,237
Cash and cash equivalents		<u>3,318,190</u>		<u>4,889,587</u>
		3,681,108		5,159,824
<b>Current Liabilities</b>				
Creditors: amounts falling due within one year	14	(1,157,463)		(1,217,328)
<b>Net Current Assets</b>			<u>2,523,646</u>	<u>3,942,496</u>
<b>Total Assets Less Current Liabilities</b>			27,802,615	27,349,775
Creditors: amounts falling due after more than one year	15	(7,848,778)		(7,508,517)
Provisions for liabilities				
Pension provision	19	-	-	-
Pension defined benefit liability	23	-	-	(1,003,000)
Other provisions	23	(12,847)	(12,847)	(12,847)
		<u>(7,861,624)</u>	<u>(8,524,364)</u>	
<b>Total Net Assets</b>			<u>19,940,991</u>	<u>18,825,411</u>
<b>Reserves</b>				
Share capital	20		112	104
Income and expenditure reserve			<u>19,940,879</u>	<u>18,825,307</u>
			<u>19,940,991</u>	<u>18,825,411</u>

The financial statements on pages 20 to 46 were approved by the Board of Management and authorised for issue on 14/09/20 and signed on its behalf by:

Secretary:

Member:

Member:

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

**STATEMENT OF CHANGES IN RESERVES**

	Income and expenditure reserve	Share Capital	Total
	£	£	£
<b>Balance as at 31 March 2018</b>	19,259,524	115	19,259,639
Issue of Shares	-	10	10
Cancellation of Shares	-	(21)	(21)
Other Comprehensive income	(591,000)	-	(591,000)
Surplus for the year	156,783	-	156,783
<b>Balance at 31 March 2019</b>	<u>18,825,307</u>	<u>104</u>	<u>18,825,411</u>

	Income and expenditure reserve	Share Capital	Total
	£	£	£
<b>Balance as at 31 March 2019</b>	18,825,307	104	18,825,411
Issue of Shares	-	8	8
Cancellation of Shares	-	-	-
Other Comprehensive income	-	-	-
Surplus for the year	1,115,572	-	1,115,572
<b>Balance at 31 March 2020</b>	<u>19,940,879</u>	<u>112</u>	<u>19,940,991</u>

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

**STATEMENT OF CASHFLOWS**

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
<b>Net cash generated from operating activities</b>	21	779,917	1,628,786
<b>Cash Flow from Investing Activities</b>			
Purchase of tangible fixed assets		(2,638,128)	(1,768,201)
Proceeds from sale of tangible fixed assets		-	-
Grants received		883,109	1,263,551
Interest received		14,041	11,743
<b>Net Cash (Used in) Investing Activities</b>		<u>(1,790,977)</u>	<u>(492,907)</u>
<b>Cash Flow from Financing Activities</b>			
Interest paid		(163,814)	(180,120)
New secured loans		-	1,700,000
Repayments of borrowings		(396,530)	(389,229)
Increase in share capital		8	10
<b>Net Cash From/(Used) in Financing Activities</b>		<u>(560,337)</u>	<u>1,130,661</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<u>(1,571,397)</u>	<u>2,266,540</u>
<b>Cash and Cash Equivalents at Beginning of Year</b>		4,889,587	2,623,047
<b>Cash and Cash Equivalents at End of Year</b>		<u>3,318,190</u>	<u>4,889,587</u>



**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Accounting Policies**

**Legal Status**

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010.

The address of the Company's registered office and principal place of business is 355 Tormusk Road, Castlemilk, Glasgow, G45 0HF.

The Association's principal activities are as described within the Report of the Board of Management. The nature of the Association's operations are as described within the Report of the Board of Management.

Ardenglen Housing Association Ltd meets the definition of a Public Benefit Entity.

**Basis of Accounting**

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2014 "Statement of Recommended Practice for Registered Housing Providers" and comply with the Determination of Accounting Requirements 2019, and under the historical cost convention.

The financial statements are prepared in Sterling (£).

**Critical Accounting Estimates and Areas of Judgement**

Preparation of the financial statements requires management to make critical judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included below:

Useful lives of property; Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the asset management projections and reactive repairs expenditure.

**Going Concern**

The Board of Management has reviewed the results for this year and also reviewed the projections for the next five years. On that basis the Board of Management has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Turnover and Revenue Recognition**

Turnover comprises rental and service charge income receivable in the period, income from shared ownership first tranche sales, sale of properties built for sale, other services provided at the invoice value (excluding VAT) and revenue grants receivable in the period.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the transaction.

Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met.

**Government Grants**

Government grants include grants receivable from the Scottish Government, local authorities and other government bodies. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset under the accruals model.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, then any unamortised grant remaining is derecognised as a liability and recognised as income. Where there is a requirement to repay a grant a liability is included in the Statement of Financial Position to recognise this obligation.

**Other Grants**

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

**Other Income**

*Interest income*

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

*Investment income*

Investment income is recognised on an accruals basis.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **Tangible Fixed Assets – Housing Properties**

Housing properties are properties for the provision of social housing or to otherwise provide social benefit and are principally properties available for rent and shared ownership.

Completed housing and shared ownership properties are stated at valuation less accumulated depreciation on the components other than structure.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in either:

- An increase in rental income;
- A material reduction in future maintenance costs; or
- A significant extension to the life of the property.

Shared ownership properties are split proportionally between fixed assets and current assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds are included in turnover.

The remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment. Where the first tranche has been sold prior to the acquisition of the properties, these are included in fixed assets only.

### **Depreciation of Housing Properties**

Freehold land or assets under construction are not depreciated.

The Association separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight line basis over the following years:

Structure	60 years
Land	Nil
Assets under construction	Nil
Windows	50 years
Kitchens	20 years
Bathrooms	30 years
Boilers	15 years

### **Impairment of Fixed Assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the RSL estimates the recoverable amount of the asset.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Impairment of Fixed Assets (Continued)**

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the statement of comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

**Other Tangible Fixed Assets**

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Freehold buildings	over 30 years
Fixtures, fittings and equipment	4 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

**Borrowing Costs**

General and specific borrowing costs directly attributable to the acquisition and construction of qualifying properties are added to the cost of those properties until such a time as the properties are ready for their intended use or sale.

All other borrowing costs are expensed as incurred.

**Taxation**

Ardenglen Housing Association Limited has charitable status and is registered with the Office of Scottish Charities Regulator and is therefore exempt from paying Corporation Tax on charitable activities.

**VAT**

The Association is VAT registered, however a large proportion of income, namely rents, is exempt for VAT purposes therefore giving rise to a Partial Exemption calculation. Expenditure is shown inclusive of VAT.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. Employees are entitled to carry forward up to 5 days of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Association is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### **Retirement Benefits**

#### *Defined benefit plans*

For the year ended 31 March 2019, the Association is able to identify its share of the scheme assets and scheme liabilities from 1 April 2018 and therefore has applied defined benefit accounting from this date onwards. For accounting purposes, the relevant date for accounting for this change from defined contribution to defined benefit accounting is 1 April 2018. The scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates.

As at the year ended 31 March 2019, the net defined benefit pension deficit liability was £1,003k.

In the year ended 31 March 2020, the current service cost and costs from settlements and curtailments are charged against operating surplus. Interest is calculated on the net defined benefit liability. Refer to Note 23 for more details.

#### *Defined contribution plans*

The SHAPS offers a defined contribution option which some employees take advantage of. For defined contribution schemes the amount charged to income and expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

### **Financial Instruments**

The Association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument, and are offset only when the Association currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***Financial assets***

***Debtors***

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income and expenditure.

***Financial liabilities***

***Trade creditors***

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

***Borrowings***

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Commitments to receive a loan are measured at cost less impairment.

***Derecognition of financial assets and liabilities***

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***Derecognition of financial assets and liabilities (Continued)***

liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Provisions**

Provisions are recognised when the Association has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**2. Particulars of Turnover, Operating Costs and Operating Surplus or Deficit**

	<b>Note</b>	<b>Turnover £</b>	<b>Operating Costs £</b>	<b>Operating Surplus/ (Deficit) £</b>	<b>Operating Surplus/ (Deficit) 2019 £</b>
<b>Social lettings</b>	3	3,972,463	(3,586,911)	385,552	541,572
<b>Other activities</b>	4	141,561	(170,201)	(28,640)	(105,676)
<b>Total</b>		<u>4,114,024</u>	<u>(3,375,112)</u>	<u>356,912</u>	<u>435,896</u>
<b>2019</b>		<u>3,989,528</u>	<u>(3,553,632)</u>	<u>435,896</u>	



**ARDENGLLEN HOUSING ASSOCIATION LTD**  
For the year ended 31 March 2020

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3. Particulars of Turnover, Operating Costs and Operating Surplus from Affordable Letting Activities**

	General Needs Housing £	Shared Ownership £	2020 Total £	2019 Total £
Rent receivable net of identifiable service charges	3,942,299	11,765	3,954,064	3,824,781
Service charges	-	-	-	-
Gross income from rents and service charges	3,942,299	11,765	3,954,064	3,824,781
<b>Less: Rent loss from voids</b>	(10,720)	-	(10,720)	(5,344)
<b>Net income from rents and service charges</b>	3,931,579	11,765	3,943,344	3,819,437
Grants released from deferred Income	12,317	-	12,317	6,670
Grants from Scottish Ministers	16,803	-	16,803	38,454
<b>Total turnover from affordable letting activities</b>	<b>3,960,699</b>	<b>11,765</b>	<b>3,972,464</b>	<b>3,864,561</b>
Management and maintenance administration costs	1,573,394	3,525	1,576,919	1,543,580
Service costs	-	-	-	-
Planned and cyclical maintenance including major repairs costs	811,443	-	811,443	442,584
Reactive maintenance costs	446,522	-	446,522	394,195
Bad debts – rents and service charges	38,290	-	38,290	42,643
Depreciation of affordable let properties	709,864	3,872	687,428	899,987
<b>Operating Costs for affordable letting activities</b>	<b>3,579,513</b>	<b>7,397</b>	<b>3,586,910</b>	<b>3,322,989</b>
<b>Operating Surplus for affordable letting Activities</b>	<b>381,186</b>	<b>4,368</b>	<b>385,554</b>	<b>541,572</b>
<b>2019</b>	<b>534,776</b>	<b>6,796</b>	<b>541,572</b>	

The amount of service charges receivable on housing accommodation not eligible for Housing Benefit was £-nil (2019 - £nil).

The Association did not provide supported housing during the year.

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. Particulars of Turnover, Operating Costs and Operating Surplus 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)	Operating surplus or (deficit) for previous period of account
Wider role activities undertaken to support the community, other than the provision, construction and management of housing	-		62,305		-		7,216		69,521		-		147,716		(78,195)	(140,861)
Care and repair	-		-		-		-		-		-		-		-	-
Factoring	-		-		-		1,494		1,494		-		1,922		(428)	(119)
Support activities	-		-		-		-		-		-		-		-	-
Care activities	-		-		-		-		-		-		-		-	-
Contracted out activities undertaken for registered social landlords	-		-		-		-		-		-		-		-	-
Contracted out activities undertaken for other organisations	-		-		-		-		-		-		-		-	-
Developments for sale to registered social landlords	-		-		-		-		-		-		-		-	-
Developments and improvements for sale to other organisations	-		-		-		-		-		-		-		-	-
Uncapitalised development administration costs	-		-		-		-		-		-		-		-	-
Other activities	-		-		-		70,544		70,544		-		20,563		49,981	35,304
<b>Total from other activities</b>	-		62,305		-		79,255		141,560		-		170,201		(28,641)	(105,676)

**2019**

	-		55,461		-		69,506		124,967		-		230,643		(105,676)	
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Included within other activities are other rental income of £62,431 (2019 - £63,361) and the release of housing benefit received of £0 (2019 - £96).  
Included within other revenue grants is Big Lottery Funding of £49,228 (£61,291 received in year less deferred income of £12,063) (2019: £41,921 (£53,983 received in year less deferred income of £12,063)).

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

<b>5. Accommodation in Management</b>	<b>2020</b>	<b>2019</b>
The number of units in Management at 31 March was as follows:		
	<b>No</b>	<b>No</b>
New build	429	406
Rehabilitation – leased	1	1
Rehabilitation	254	254
Shared ownership	6	7
Mortgage to rent	13	13
SST	291	291
Total Units in Management	<u>994</u>	<u>972</u>
<b>6. Interest Receivable and Similar Charges</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest on bank deposits	<u>14,041</u>	<u>11,743</u>
<b>7. Interest Payable and Similar Charges</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest arising on:		
Bank loans and overdrafts	200,276	180,120
Defined benefit pension charge	22,000	23,000
	<u>222,276</u>	<u>203,120</u>
Less: Interest capitalised	<u>(36,461)</u>	<u>(18,080)</u>
	<u>185,814</u>	<u>185,040</u>
<b>8. Operating Surplus or Deficit</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Operating surplus is stated after charging/(crediting):		
Depreciation of housing properties	713,736	899,967
Depreciation of other tangible fixed assets (note 11.B)		
- owned	51,136	57,634
Deficit on disposal of tangible fixed assets (note 9)	<u>1,567</u>	<u>105,816</u>
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Audit services - statutory audit of the Association	<u>12,000</u>	<u>11,419</u>

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
**For the year ended 31 March 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9. Surplus or Deficit on Sale of Fixed Assets – Housing Properties**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Disposal proceeds	-	-
Carrying value of fixed assets	(1,567)	(105,816)
	<u>(1,567)</u>	<u>(105,816)</u>
Capital grant repaid	-	-
Deficit	<u>(1,567)</u>	<u>(105,816)</u>

**10. Employees**

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
The average monthly number of full time equivalent persons (including key management personnel) employed by the Association during the year was:		
Office and management/Administration	19	17
Housing support and care	-	-
Development	-	-
	<u>19</u>	<u>17</u>

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Staff costs for the above persons:		
Wages and salaries	652,643	725,623
Social security costs	51,943	60,616
Other pension costs and current service cost (note 23)	66,228	84,812
Defined contribution pension cost	60,076	43,923
Agency Staff	21,000	21,000
	<u>851,891</u>	<u>935,974</u>

Key management personnel are composed of the Board of Management and the Senior Management Team.

There were the following key management personnel who received emoluments (excluding pension contributions) in excess of £60,000 within the following ranges:

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
£60,000 - £69,999	1	1
£70,000 - £79,999	<u>1</u>	<u>-</u>

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10. Employees (continued)**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Aggregate gross emoluments for key management personnel	<u>227,272</u>	<u>231,307</u>
Aggregate emoluments for key management personnel (excluding pension contributions)	<u>189,888</u>	<u>191,130</u>
The emoluments of the Chief Executive (excluding pension contributions)	<u>72,058</u>	<u>69,262</u>
Aggregate pension contributions in relation to key management personnel	<u>37,384</u>	<u>40,177</u>

No payment or fees or other remuneration was made to the Board members during the year.  
The Association operates a salary sacrifice scheme to all members of the pension scheme.

**11.A Tangible Fixed Assets – Housing Properties**

	<b>Social Housing Properties Held for Letting £</b>	<b>Housing Properties For Letting Under Construction £</b>	<b>Completed Shared Ownership Housing Properties £</b>	<b>Total Housing Properties £</b>
<b>Cost</b>				
1 April 2019	25,860,891	1,448,399	153,685	27,462,975
Additions	151,368	2,337,479		2,488,847
Properties acquired	30,064			30,064
Works to existing properties	101,068			101,068
Disposals	(39,355)			(39,355)
Transfer	3,763,782	(3,741,449)	(22,333)	-
31 March 2020	<u>29,867,818</u>	<u>44,429</u>	<u>131,352</u>	<u>30,043,599</u>
<b>Depreciation and impairment</b>				
1 April 2019	4,537,854	-	23,565	4,561,419
Depreciation charged in year	709,862		3,872	713,734
Released on disposal	(37,788)			(37,788)
Transfer	3,384		(3,384)	-
31 March 2020	<u>5,213,312</u>	<u>-</u>	<u>24,053</u>	<u>5,237,365</u>
<b>Net book value</b>				
31 March 2020	<u>24,654,506</u>	<u>44,429</u>	<u>107,299</u>	<u>24,806,234</u>
31 March 2019	<u>21,323,037</u>	<u>1,448,399</u>	<u>130,120</u>	<u>22,901,556</u>

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11.A Tangible Fixed Assets – Housing Properties (continued)**

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Value of land included in cost	<u>3,342,017</u>	<u>2,309,753</u>

The amount of capitalised interest during the year was £36,461 (2019 £18,080).

**Expenditure on Works to Existing Properties**

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Improvement work capitalised	151,368	15,459
Replacement component spend capitalised	101,068	476,720
Amounts charged to income and expenditure	<u>583,425</u>	<u>212,455</u>
Total major repairs spend	<u>835,861</u>	<u>704,634</u>

**11.B Tangible Fixed Assets Other**

	<b>Freehold property £</b>	<b>Computers and Office Equipment £</b>	<b>Furniture, fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>				
1 April 2019	948,572	278,046	103,858	1,330,476
Additions	-	16,303	1,845	18,149
31 March 2020	<u>948,572</u>	<u>294,349</u>	<u>105,703</u>	<u>1,348,625</u>
<b>Depreciation and impairment</b>				
1 April 2019	467,743	260,883	96,128	824,754
Depreciation charged in year	31,648	14,535	4,953	51,136
31 March 2020	<u>499,391</u>	<u>275,418</u>	<u>101,081</u>	<u>875,890</u>
<b>Net book value</b>				
31 March 2020	<u>449,181</u>	<u>18,932</u>	<u>4,622</u>	<u>472,375</u>
31 March 2019	<u>480,829</u>	<u>17,163</u>	<u>7,730</u>	<u>505,722</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**12. Subsidiary Undertakings**

The Association's subsidiary undertakings are:

<i><b>Name of undertaking</b></i>	<i><b>Class of shareholding</b></i>	<i><b>Proportion of nominal value held directly</b></i>	<i><b>Nature of Business</b></i>
Ardenglen Developments Limited	Ordinary	100% (2019: 100%)	Renting of office space to the Association.

**13. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Rent and service charges receivable	182,076	138,450
Less: provision for bad and doubtful debts	<u>(100,046)</u>	<u>(85,980)</u>
	82,029	52,470
HAG receivable	2,992	22,372
Other debtors	5,037	23,459
Prepayments and accrued income	<u>272,858</u>	<u>171,936</u>
	<u><b>362,918</b></u>	<u><b>270,237</b></u>

**14. Creditors: Amounts Falling due Within One Year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Debt (note 17)	388,717	384,659
Rent and service charges received in advance	148,244	62,514
Deferred capital grants (note 16)	40,555	6,670
Trade creditors	250,335	471,304
Other creditors	246,122	232,560
Accruals and deferred income	70,633	59,621
Amounts due to Group undertakings	<u>12,856</u>	<u>-</u>
	<u><b>1,157,462</b></u>	<u><b>1,217,328</b></u>

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**15. Creditors: Amounts Falling due After More than One Year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Debt (note 17)	5,492,432	5,893,020
Other Creditors	-	29,357
Deferred capital grant (note 16)	2,356,345	1,586,140
	<u>7,848,778</u>	<u>7,508,517</u>

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Included in creditors are:		
Amounts repayable other than by instalments falling due after more than five years	<u>3,816,676</u>	<u>3,146,115</u>
Amounts repayable by instalments falling due after more than five years	<u>4,032,102</u>	<u>4,362,402</u>

**16. Deferred Capital Grant**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
As at 1 April	1,592,810	526,287
Grant received in the year	816,407	1,073,193
Capital grant released	(12,317)	(6,670)
As at 31 March	<u>2,396,900</u>	<u>1,592,810</u>

Amounts to be released within one year	40,555	6,670
Amounts to be released in more than one year	<u>2,356,345</u>	<u>1,586,140</u>
	<u>2,396,900</u>	<u>1,592,810</u>

**17. Debt Analysis – Borrowings**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Creditors: amounts falling due within one year:		
Bank loans	<u>388,717</u>	<u>384,659</u>
Creditors: amounts falling due after more than one year:		
Bank loans	<u>5,492,432</u>	<u>5,893,020</u>
<b>Total</b>	<u>5,881,149</u>	<u>6,277,679</u>

Borrowings are denominated and repaid in pounds sterling, have contractual interest rates that are either fixed rates or variable rates linked to LIBOR that are not leveraged, and do not contain conditional returns or repayment provisions other than to protect the lender against credit deterioration or changes in relevant legislation or taxation.

Bank Borrowings are secured by specific charges on the Association's properties and are repayable at rates of interest ranging from 1.14% to 5.62% (2018 – 1.45% to 5.62%). The Association makes monthly and quarterly repayments of the bank borrowings.



**ARDENGLLEN HOUSING ASSOCIATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**17. Debt Analysis – Borrowings – (continued)**

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	2020	2019
	£	£
Due within one year	388,717	384,659
Due in one year or more but less than two years	392,594	388,985
Due between two and five years	1,067,736	1,158,633
Due more than five years	4,032,102	4,345,402
	<u>5,881,149</u>	<u>6,277,679</u>

**18. Financial Instruments**

	2020	2019
	£	£
<i>Financial assets:</i>		
Debt instruments measured at amortised cost	<u>3,681,108</u>	<u>5,159,824</u>
<i>Financial liabilities:</i>		
Measured at amortised cost	<u>9,019,087</u>	<u>9,758,276</u>

**19. Other Provisions**

	Holiday pay £
1 April 2019	12,847
Utilised in the year	-
Additional provision in year	-
31 March 2020	<u>12,847</u>

*Holiday Pay*

This represents holiday accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the statutory cost payable for the period of absence.

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**20. Share Capital & Reserves**

The Association is limited by guarantee and consequently has no share capital. Each of the Association's members agrees to contribute £1 in the event of the Association winding up.

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Number of members		
1 April 2019	104	115
Joined during the year	8	10
Left during year	-	(21)
31 March 2020	<u>112</u>	<u>104</u>

**21. Reconciliation of Surplus to Net Cash Generated From /(Used in) Operations**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Surplus for the year	183,572	156,783
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	764,870	957,621
Amortisation of deferred grant	(12,317)	(6,670)
Shares cancelled	-	(21)
Defined benefit pension schemes	(122,356)	(74,999)
Fair value (gains)/losses on financial instruments	-	-
Increase/(decrease) in other provisions	-	(1,814)
loss on disposal of tangible fixed assets	1567	105,816
Interest receivable	(14,041)	(11,743)
Interest payable	185,814	180,120
Taxation	-	-
<b>Operating cash flows before movements in working capital</b>	<u>987,109</u>	<u>1,305,093</u>
Decrease in trade and other debtors	(109,382)	1,371
Increase in trade and other creditors	(97,808)	322,322
<b>Cash generated from / (used in) operations</b>	<u>779,917</u>	<u>1,628,786</u>

**Cash and Cash Equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents represent:-		
Cash at bank	1,488,752	3,060,149
Short-term deposits	1,829,438	1,829,438
Overdraft	-	-
	<u>3,318,190</u>	<u>4,889,587</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**22. Capital Commitments and Other Contractual Obligations**

	2020 £	2019 £
Capital expenditure contracted for but not provided in the financial statements	-	2,230,756
Expenditure authorised by the board, but not contracted	-	-

**23. Retirement Benefits**

The company 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 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. This valuation revealed a deficit of £121m. A Recovery Plan has been put in place to eliminate the deficit which will run to either 30 September 2022 or 31 March 2023 (depending on funding levels) for the majority of employers, although certain employers have different arrangements.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company 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 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme. For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Similarly, an actuarial valuation of the scheme was carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive.

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**23. Retirement Benefits - Continued**

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

	<b>31 March 2020 (£000s)</b>	<b>31 March 2019 (£000s)</b>
Fair value of plan assets	4,966	4,299
Present value of defined benefit obligation	4,907	5,302
Surplus (deficit) in plan	59	(1,003)
Unrecognised surplus	59	-
Defined benefit asset (liability) to be recognised	-	(1,003)
Deferred tax	*	*
Net defined benefit asset (liability) to be recognised	*	*

**Reconciliation of the Impact of the Asset Ceiling**

	<b>Period ended 31 March 2020 (£000s)</b>
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	59
Impact of asset ceiling at end of period	59

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**23. Retirement Benefits – (Continued)**

**Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation**

	<b>Period from 31 March 2019 to 31 March 2020 (£000s)</b>
Defined benefit obligation at start of period	5,302
Current service cost	95
Expenses	4
Interest expense	125
Contributions by plan participants	-
Actuarial losses (gains) due to scheme experience	93
Actuarial losses (gains) due to changes in demographic assumptions	(29)
Actuarial losses (gains) due to changes in financial assumptions	(621)
Benefits paid and expenses	(62)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	4,907

**Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets**

	<b>Period from 31 March 2019 to 31 March 2020 (£000s)</b>
Fair value of plan assets at start of period	4,299
Interest income	103
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	434
Contributions by the employer	192
Contributions by plan participants	-
Benefits paid and expenses	(62)
Exchange rate changes	-
Fair value of plan assets at end of period	4,966

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**23. Retirement Benefits – (Continued)**

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £537,000.

**Defined Benefit Costs Recognised in Statement of Comprehensive Income (SOCl)**

	<b>Period from 31 March 2019 to 31 March 2020 (£000s)</b>
Current service cost	95
Expenses	4
Net interest expense	22
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)	121

**Defined Benefit Costs Recognised in Other Comprehensive Income**

	<b>Period ended 31 March 2020 (£000s)</b>
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	434
Experience gains and losses arising on the plan liabilities - gain (loss)	(93)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	29
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	621
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	991
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	(59)
Total amount recognised in other comprehensive income - gain (loss)	932

**ARDENGLLEN HOUSING ASSOCIATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**24. Related Party Transactions**

Various Board of Management members are also tenants of the Association. Their tenancies are on normal commercial terms. During the year £30,999 (2019: £29,824) of rent was receivable from these tenant members. At the year-end there were £667 (2019: £975) of rent arrears due from these tenant members.

During the year £19,596 (2019: £19,596) of rent was paid to the Association's subsidiary Ardenglen Developments Ltd. During the year £600 (2019: £600) management fee was receivable from the Association's subsidiary Ardenglen Developments Ltd.

Amounts outstanding are unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the year (2019: £nil) in respect of bad debts from related parties.