



**Alexander Sloan**  
Accountants and Business Advisers

# **Blairtummock Housing Association Limited**

Report and Financial Statements

For the year ended 31 March 2021

Registered Social Landlord No. HCB216

FCA Reference No. 23544R(S)

Scottish Charity No. SC036997

# BLAIRTUMMOCK ASSOCIATION LIMITED

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## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### Contents

	<b>Page</b>
Members of the Management Committee, Executive and Advisers	1
Report of the Management Committee	2 – 7
Report by the Auditors on corporate governance matters	8
Report of the Auditors	9-12
Statement of comprehensive income	13
Statement of financial position	14
Statement of cash flows	15
Statement of changes in equity	16
Notes to the financial statements	17 - 36

# **BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED**

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## **MANAGEMENT COMMITTEE, EXECUTIVE AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021**

### **MANAGEMENT COMMITTEE**

Gary Wood	Chairperson
Margaret Pirrie	Secretary
Donna Miller	Treasurer
Tracey Slaven	
Yvonne Crockert	
John Wilkie	Left September 2020
Thomas Smith	Left April 2020
Elizabeth McGill	Left September 2020
Catriona Jamieson	Left August 2020
Lynn Blackwood	
Catherine Black	
Andrea McLachlan	Joined November 2020
Paul Cochrane	Joined October 2020
Paula Sweeney	Joined September 2020, Left September 2020

### **EXECUTIVE OFFICER**

Jacqui O'Rourke	Director
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### **REGISTERED OFFICE**

45 Boyndie Street  
Glasgow  
G34 9JL

### **EXTERNAL AUDITORS**

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

### **BANKERS**

Clydesdale Bank PLC  
47 Main Street  
Ballieston  
Glasgow  
G68 6SQ

### **SOLICITORS**

TC Young  
7 West George Street  
Glasgow  
G2 1BA

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2021

The Management Committee presents its report and the financial statements for the year ended 31 March 2021.

### Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No. 23544R(S)), the Scottish Housing Regulator as a registered social landlord (No. HCB216) under the Housing (Scotland) Act 2010 and as is a registered Scottish Charity with the charity number SCO36997.

### Principal Activities

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

### Review of Business and Future Developments

Shortly before the start of financial year 2020/21 we went into lockdown and this remained the position throughout the year, which impacted on the services we provide.

Staff have continued to work from home and our Estate caretakers were put on furlough shortly after Christmas when the country went into a second lockdown. All of which affected how and when we deliver services to residents. We have continued to follow guidance issued by the Scottish Government and adapted how we work in order to adhere to this.

We had to put on hold both the stock condition survey and bathroom replacement contract and plan to re-instate the survey and commence the replacement contract when it is safe for tenants and contractors.

However, we have managed to adapt our IT and telephone system to allow staff to deal with the majority of the workload from home and this has allowed us to continue to deal with enquiries from tenants, residents and other stakeholders.

We also set up both Microsoft Teams and Zoom which has allowed us to continue with Committee meetings remotely thus not affecting the governance of the organisation. We have also offered tenants the opportunity to meet with staff remotely. In September 2020, we held our Annual General Meeting on Zoom and several of our shareholders joined us.

During 2020/21, we also carried out a Governance Review, which resulted in us reviewing and updating our agreement with Blairtummock & Rogerfield Opportunities (BRO), our Business Plan and many of our policies. We also completed our annual Assurance Statement and returned this to the Scottish Housing Regulator.

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

We also produced a Business Continuity Plan to deal with the impact of Covid 19 and the Management Committee initially monitored this on a monthly basis at the beginning of lockdown but have now changed to bi-monthly. This plan covers all aspects of the business as ensures that we are delivering our services whilst still following Scottish Government guidelines.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2021

### Review of Business and Future Developments (Contd.)

During the past year, we made some changes to how we managed arrears and the impact of Universal Credit because of the pandemic. This has proved successful, as we have managed to maintain our arrears at almost the same level as 2019/20. We have also continued to work with our partners GEMAP and Connect who have been providing welfare benefits and debt advice throughout the lockdown by telephone appointments.

Through the remote meetings the Management Committee of Blairtummock Housing Association have continued to monitor all areas of the business, retain close control of the financial affairs and have reviewed investment and loans to ensure that the Association receives the best return for its investments in light of current low interest rates, which have also been impacted by Covid 19. The Management Committee regularly review the medium and long-term financial projections to ensure the viability of the organisation.

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

Blairtummock Housing Association has always been a high performing organisation and we regularly monitor ourselves against our peers. Our most recent Tenant Satisfaction Survey showed:

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

During the year, we also employed Research Resource to carry out a telephone Covid Snapshot Survey and the key findings were:

- Just under nine in ten respondents (88%) said that they were generally either very or fairly satisfied with Blairtummock during the lockdown period.
- 90% said they felt Blairtummock have kept them informed of the changes to services available due to Covid-19.
- Tenants most commonly said that they got information on changes available to Blairtummock services by letter (60%), text (47%) and newsletter (18%).
- Almost half of respondents (48%) said they had contact with Blairtummock during lockdown. The main reasons for this were repairs (44%) or financial support/ advice (18%).
- 82% of those who had contact were satisfied with the contact they had with Blairtummock compared to 10% who were dissatisfied.
- When asked if there were any services they would have liked Blairtummock to provide that would have helped them personally during lockdown. Just 10% of respondents said that they would have liked Blairtummock to call to check that they were ok during lockdown, 6% said they would have appreciated support or discussion relating to rent payments and 5% said welfare benefits services would have helped. 77% said there were no services that would have helped.
- Three quarters of respondents said that the office being closed has not affected how they engage with the Association (75%). Moreover, 5% said they have been able to phone without any issues. However, 10% said that they now phone instead of visit and 6% said that they have not been in contact when they normally would have done.

We also provided Glasgow City Council with some properties to be used as Temporary Furnished accommodation and continued to let houses to existing tenants and waiting list applicants. We also continued to provide starter packs and decoration vouchers, if needed.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2021

### **Review of Business and Future Developments (Contd.)**

Like many organisations, we have had to constantly monitor and review what we do in order to address the challenges, which Covid 19 has created and we will continue to do so until it is safe to re-instate all our services. Our priority is the safety of, Staff, Committee, residents and contractors.

We are aware that both the pandemic and BREXIT will bring many new challenges as we move back to some sort of normality and we will continue to monitor how we deliver our services and our financial well-being to take account of such changes.

The members of the Management Committee are of the opinion that the state of the financial affairs of Blairtummock Housing Association are satisfactory.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2021

### **Management Committee and Executive Officers**

The members of the Management Committee and the Executive officers are listed on page 1.

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

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

### **Statement of Management Committee's Responsibilities**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business; and
- prepare a statement on internal financial control.

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

### **Going Concern**

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

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2021

### Statement on Internal Financial Control

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

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

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

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

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year end 31 March 2021. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

### Donations

During the year the Association made charitable donations of £0 (2020 - £700).

### Disclosure of Information to the Auditor

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

### Auditor

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



# **BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED**

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## **REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2021**

**By order of the Management Committee**

**MARGARET PIRRIE**

Secretary  
09/09/2021

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

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

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

### **Basis of Opinion**

We carried out our review having regard to the requirements 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 of Internal Financial Control on page 6 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice 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.

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

**ALEXANDER SLOAN**  
Accountants and Business Advisers  
Statutory Auditors  
GLASGOW  
09/09/2021



# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021

### Opinion

We have audited the financial statements of Blairtummock Housing Association Limited (the 'Association') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2021 and of the surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019.

### Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 audit opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Management Committee use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Management Committee with respect to going concern are described in the relevant sections of this report.

### Other Information

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

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021 (continued)

### Other Information (Contd.)

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

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 require us to report to you if, in our opinion:

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

### Responsibilities of the Management Committee

As explained more fully in the statement of Management Committee's responsibilities as set out on page 5, the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give true and fair view, and for such internal control as the Management Committee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intend to liquidate the Association 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021 (continued)

### **The extent to which the audit was considered capable of detecting irregularities including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we gained an understanding of the legal and regulatory framework applicable to the Association through discussions with management, and from our wider knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the Co-operative and Community Benefit Societies Act 2014 (and related regulations), the Housing (Scotland) Act 2010 and other laws and regulations applicable to a registered social housing provider in Scotland. We also considered the risks of non-compliance with the other requirements imposed by the Scottish Housing Regulator and we considered the extent to which non-compliance might have a material effect on the financial statements.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Association's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing the Association's Assurance Statement and associated supporting information.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021 (continued)

### **The extent to which the audit was considered capable of detecting irregularities including fraud (Contd.)**

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

### **Description of the 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 aggregate, they could reasonably be expected to influence the economic decisions of the 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: <http://www.frc.org.uk/auditorsresponsibilities>. The description forms part of our audit report.

### **Use of our Report**

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

**ALEXANDER SLOAN**  
Accountants and Business Advisers  
Statutory Auditors  
GLASGOW  
09/09/2021



# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Revenue	2		3,430,698		3,573,058
Operating costs	2		2,618,983		2,729,290
<b>OPERATING SURPLUS</b>			811,715		843,768
Gain on sale of housing stock	7	12,762		92,129	
Release of negative goodwill	14	27,622		27,622	
Interest receivable and other income		10,130		32,241	
Interest payable and similar charges	8	(98,113)		(121,391)	
Other Finance income/(charges)	11	(1,000)		(15,000)	
			(48,599)		15,601
Surplus on ordinary activities before taxation	9		763,116		859,369
Tax on surplus on ordinary activities	10		-		-
<b>SURPLUS FOR THE YEAR</b>			<b>763,116</b>		<b>859,369</b>
<b>Other comprehensive income</b>					
Actuarial gains/(losses) on defined benefit pension plan	21		(571,216)		538,000
<b>TOTAL COMPREHENSIVE INCOME</b>			<b>191,900</b>		<b>1,397,369</b>

The results relate wholly to continuing activities.

The notes on pages 17 to 36 form an integral part of these financial statements.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
<b>NON-CURRENT ASSETS</b>					
Housing properties - depreciated cost	12		22,676,056		23,264,516
Other tangible assets	12		1,042,506		1,040,282
			<u>23,718,562</u>		<u>24,304,798</u>
Negative goodwill	14		(1,201,794)		(1,229,416)
<b>CURRENT ASSETS</b>					
Receivables	15	222,469		82,833	
Investments	16	3,571,661		3,063,269	
Cash and cash equivalents	17	147,050		327,446	
			<u>3,941,180</u>	<u>3,473,548</u>	
<b>CREDITORS:</b> Amounts falling due within one year	18	(561,783)		(475,319)	
			<u>3,379,397</u>	<u>2,998,229</u>	
<b>NET CURRENT ASSETS</b>					
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			25,896,165		26,073,611
<b>CREDITORS:</b> Amounts falling due after more than one year	19		(3,198,182)		(3,390,166)
<b>PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Scottish housing association pension scheme	21	(435,000)		(70,000)	
			(435,000)		(70,000)
<b>DEFERRED INCOME</b>					
Social housing grants	22	(10,359,680)		(10,880,989)	
Other grants	22	(645,499)		(666,550)	
			<u>(11,005,179)</u>	<u>(11,547,539)</u>	
<b>NET ASSETS</b>					
<b>EQUITY</b>					
Share capital	23		114		116
Revenue reserves			11,692,690		11,135,790
Pension reserves			(435,000)		(70,000)
			<u>11,257,804</u>		<u>11,065,906</u>

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

Committee Member

Committee Member

Secretary

The notes on pages 17 to 36 form an integral part of these financial statements.



# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
<b>Surplus for the Year</b>			763,116		859,369
<i>Adjustments for non-cash items:</i>					
Depreciation of tangible fixed assets	12	772,731		802,731	
Amortisation of capital grants	22	(566,781)		(599,055)	
Gain on disposal of tangible fixed assets		(19,460)		(52,027)	
Release of negative goodwill	14	(27,622)		(27,622)	
Non-cash adjustments to pension provisions		(206,216)		(88,000)	
Share capital written off	23	(3)		(5)	
			(47,351)		36,022
Interest receivable			(10,130)		(32,241)
Interest payable	8		98,113		121,391
<b>Operating cash flows before movements in working capital</b>			803,748		984,541
			(3)		(5)
Change in debtors		(139,636)		79,200	
Change in creditors		82,330		(26,156)	
			(57,306)		53,044
<b>Net cash inflow from operating activities</b>			746,442		1,037,585
<b>Investing Activities</b>					
Acquisition and construction of properties		(173,622)		(663,706)	
Purchase of other fixed assets		(45,866)		(10,519)	
Social housing grant received		27,814		29,597	
Social housing grant repaid		(3,393)		(22,287)	
Other grants repaid		-		(33,310)	
Changes on short term deposits with banks		(508,392)		95,592	
Proceeds on disposal of housing properties		45,755		265,730	
Proceeds on disposal of other tangible assets		6,698		(40,102)	
<b>Net cash outflow from investing activities</b>			(651,006)		(379,005)
<b>Financing Activities</b>					
Interest received on cash and cash equivalents		10,130		32,241	
Interest paid on loans		(98,113)		(121,391)	
Loan principal repayments		(187,850)		(385,715)	
Share capital issued	23	1		6	
<b>Net cash outflow from financing activities</b>			(275,832)		(474,859)
<b>(decrease)/increase in cash</b>	24		(180,396)		183,721
<b>Opening cash &amp; cash equivalents</b>			327,446		143,725
<b>Closing cash &amp; cash equivalents</b>			<b>147,050</b>		<b>327,446</b>
<b>Cash and cash equivalents as at 31 March</b>					
Cash	24		147,050		327,446
			<b>147,050</b>		<b>327,446</b>

The notes on pages 17 to 36 form an integral part of these financial statements.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2021

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
<b>Balance as at 1 April 2019</b>	115	(696,000)	10,364,421	9,668,536
Issue of Shares	6	-	-	6
Cancellation of Shares	(5)	-	-	(5)
Other comprehensive income	-	538,000	-	538,000
Other movements	-	88,000	(88,000)	-
Surplus for the year	-	-	859,369	859,369
<b>Balance as at 31 March 2020</b>	<b>116</b>	<b>(70,000)</b>	<b>11,135,790</b>	<b>11,065,906</b>
<b>Balance as at 1 April 2020</b>	116	(70,000)	11,135,790	11,065,906
Issue of Shares	1	-	-	1
Cancellation of Shares	(3)	-	-	(3)
Other comprehensive income	-	(571,216)	-	(571,216)
Other movements	-	206,216	(206,216)	-
Surplus for the year	-	-	763,116	763,116
<b>Balance as at 31 March 2021</b>	<b>114</b>	<b>(435,000)</b>	<b>11,692,690</b>	<b>11,257,804</b>

The notes on pages 17 to 36 form an integral part of these financial statements.

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS

### 1. PRINCIPAL ACCOUNTING POLICIES

#### Statement of Compliance and Basis of Accounting

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

#### Revenue

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

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

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

#### Retirement Benefits

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

#### Going Concern

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

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 1. PRINCIPAL ACCOUNTING POLICIES (continued.)

##### Housing Properties

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

<i>Component</i>	<i>Useful Economic Life</i>
Roof-tiles/flashings	Over 50 years
External Fabric/brickwork	Over 50 years
Windows	Over 30-60 years
Kitchens	Over 15 years
Bathrooms	Over 25 years
Boilers	Over 15 years
Radiators/pipework	Over 30 years
Electrics	Over 30 years
Structures	Over 50 years

##### Depreciation and Impairment of Other Tangible Assets

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

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

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

##### Social Housing Grants and Other Capital Grants

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

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

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

##### Sales Of Housing Properties

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

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

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 1. PRINCIPAL ACCOUNTING POLICIES (continued.)

##### **Taxation**

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

##### **Leases**

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

##### **Works to Existing Properties**

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

##### **Capitalisation Of Development Overheads**

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

##### **Borrowing Costs**

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

##### **Property Development Cost**

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

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

##### **Negative Goodwill**

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

##### **Housing Property Managed By Agents**

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

##### **VAT**

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

##### **Basis of Consolidation**

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

##### **Financial Instruments - Basic**

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

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

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

### **Cash and Liquid Resources**

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

### **Impairment**

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

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

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

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 1. PRINCIPAL ACCOUNTING POLICIES (continued.)

#### Key Judgements and estimates made in the application of Accounting Policies

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

#### Key Judgements

##### *a) Categorisation of Housing Properties*

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

##### *b) Identification of cash generating units*

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

##### *c) Financial instrument break clauses*

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

##### *d) Pension Liability*

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

#### Estimation Uncertainty

##### *a) Rent Arrears - Bad Debt Provision*

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

##### *b) Life Cycle of Components*

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

##### *c) Useful life of properties, plant and equipment*

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

##### *d) Costs of shared ownership*

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

##### *e) Defined pension liability*

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

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Notes	Turnover £	Operating costs £	Operating surplus / (deficit) £	Turnover £	Operating costs £	Operating surplus / (deficit) £
Affordable letting activities	3	3,305,696	2,539,908	765,788	3,404,204	2,601,013	803,191
Other Activities	4	125,002	79,075	45,927	168,854	128,277	40,577
<b>Total</b>		<b>3,430,698</b>	<b>2,618,983</b>	<b>811,715</b>	<b>3,573,058</b>	<b>2,729,290</b>	<b>843,768</b>

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

	General Needs Housing £	Supported Housing £	Shared Ownership £	2021 Total £	2020 Total £
<b>Revenue from Lettings</b>					
Rent receivable net of service charges	2,577,966	36,293	40,484	2,654,743	2,657,544
Service charges receivable	84,914	534	-	85,448	112,920
<b>Gross income from rent and service charges</b>	<b>2,662,880</b>	<b>36,827</b>	<b>40,484</b>	<b>2,740,191</b>	<b>2,770,464</b>
Less: Rent losses from voids	15,868	-	-	15,868	20,913
<b>Income from rents and service charges</b>	<b>2,647,012</b>	<b>36,827</b>	<b>40,484</b>	<b>2,724,323</b>	<b>2,749,551</b>
Grants released from deferred income	581,373	-	-	581,373	654,653
<b>Total turnover from affordable letting activities</b>	<b>3,228,385</b>	<b>36,827</b>	<b>40,484</b>	<b>3,305,696</b>	<b>3,404,204</b>
<b>Expenditure on affordable letting activities</b>					
Management and maintenance administration costs	872,885	-	-	872,885	942,336
Service costs	65,699	-	-	65,699	107,310
Planned and cyclical maintenance, including major repairs	600,460	-	-	600,460	343,113
Reactive maintenance costs	308,114	-	-	308,114	334,601
Bad Debts - rents and service charges	(36,339)	-	-	(36,339)	56,219
Depreciation of affordable let properties	697,004	14,570	17,515	729,089	817,434
<b>Operating costs of affordable letting activities</b>	<b>2,507,823</b>	<b>14,570</b>	<b>17,515</b>	<b>2,539,908</b>	<b>2,601,013</b>
<b>Operating surplus on affordable letting activities</b>	<b>720,562</b>	<b>22,257</b>	<b>22,969</b>	<b>765,788</b>	<b>803,191</b>
<b>2020</b>	<b>756,158</b>	<b>22,285</b>	<b>24,748</b>		



# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021  
 NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2021	Operating surplus / (deficit) 2020
	£	£	£	£	£	£	£	£	£
Wider role activities	-	16,701	-	-	16,701	-	-	16,701	(60,279)
Factoring	-	-	-	14,104	14,104	-	9,160	4,944	1,268
District heating	-	31,603	-	27,762	59,365	-	67,083	(7,718)	(3,205)
Other activities	-	-	-	19,220	19,220	-	-	19,220	80,782
Insurance Claim	-	-	-	-	-	-	-	-	6,555
Daycare centre	15,612	-	-	-	15,612	-	2,832	12,780	15,456
<b>Total From Other Activities</b>	<b>15,612</b>	<b>48,304</b>	<b>-</b>	<b>61,086</b>	<b>125,002</b>	<b>-</b>	<b>79,075</b>	<b>45,927</b>	<b>40,577</b>
<b>2020</b>	<b>15,456</b>	<b>98,377</b>	<b>-</b>	<b>55,021</b>	<b>168,854</b>	<b>-</b>	<b>128,277</b>	<b>40,577</b>	

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5. OFFICERS' EMOLUMENTS

	2021 £	2020 £
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association. Emoluments excludes social security costs.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	<u>68,816</u>	<u>67,772</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>7,323</u>	<u>7,207</u>
Emoluments payable to Director (excluding pension contributions)	68,816	67,772
Pension contributions paid on behalf of the Director	<u>7,323</u>	<u>7,207</u>
Total emoluments payable to the Director	<u>76,139</u>	<u>74,979</u>
Total emoluments paid to key management personnel (including pension contributions)	<u>227,299</u>	<u>221,399</u>

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

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

### 6. EMPLOYEE INFORMATION

	2021 No.	2020 No.
Average monthly number of full time equivalent persons employed during the year	<u>13</u>	<u>14</u>
Average total number of employees employed during the year	<u>13</u>	<u>14</u>
Staff costs were:	£	£
Wages and salaries	508,375	490,484
National insurance costs	46,065	47,731
Pension costs	53,499	48,669
Temporary, agency and seconded staff	<u>5,311</u>	<u>14,986</u>
	<u>613,250</u>	<u>601,870</u>

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 6. EMPLOYEE INFORMATION

	2021 No.	2020 No.
Average monthly number of full time equivalent persons employed during the year	<u>13</u>	<u>14</u>
	£	£
Staff costs were:		
Wages and salaries	508,375	490,484
National insurance costs	46,065	47,731
Pension costs	53,499	48,669
Temporary, agency and seconded staff	5,311	14,986
	<u>613,250</u>	<u>601,870</u>

### 7. GAIN ON SALE OF HOUSING STOCK

	2021 £	2020 £
Sales proceeds	40,000	215,367
Cost of sales	<u>27,238</u>	<u>123,238</u>
Gain on sale of housing stock	<u>12,762</u>	<u>92,129</u>

### 8. INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £	2020 £
On bank loans and overdrafts	<u>98,113</u>	<u>121,391</u>

### 9. SURPLUS FOR THE YEAR

	2021 £	2020 £
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	772,731	802,731
Auditors' remuneration - audit services	10,000	8,904
Auditors' remuneration - other services	-	2,840
Gain / (loss) on sale of other non-current assets	<u>(6,698)</u>	<u>40,102</u>

### 10. CORPORATION TAX

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

### 11. OTHER FINANCE INCOME / (CHARGES)

	2021 £	2020 £
Net interest on pension obligations	<u>(1,000)</u>	<u>(15,000)</u>

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021  
 NOTES TO THE FINANCIAL STATEMENTS (continued)

## 12. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Shared Ownership Completed £	Total £
<b>COST</b>			
At 1 April 2020	33,959,411	860,101	34,819,512
Additions	173,622	-	173,622
Disposals	(57,313)	-	(57,313)
Transfers	15,660	(15,660)	-
At 31 March 2021	<u>34,091,380</u>	<u>844,441</u>	<u>34,935,821</u>
<b>DEPRECIATION</b>			
At 1 April 2020	11,277,139	277,857	11,554,996
Charge for Year	711,574	17,515	729,089
Transfers	7,517	(7,517)	-
Disposals	(24,320)	-	(24,320)
At 0 January 1900	11,988,713	295,372	12,284,085
At 31 March 2021	<u>11,971,910</u>	<u>287,855</u>	<u>12,259,765</u>
<b>NET BOOK VALUE</b>			
At 31 March 2021	<u>22,119,470</u>	<u>556,586</u>	<u>22,676,056</u>
At 31 March 2020	<u>22,682,272</u>	<u>582,244</u>	<u>23,264,516</u>

Expenditure on Existing Properties	2021		2020	
	<i>Component replacement</i> £	<i>Improvement</i> £	<i>Component replacement</i> £	<i>Improvement</i> £
Amounts capitalised	189,280	-	594,465	-
Amounts charged to the statement of comprehensive income	-	908,574	-	677,714
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carry value of £17,685,855 (2020 - £18,191,773)

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

## 12. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Computer Equipment £	Total £
<b>COST</b>				
At 1 April 2020	1,480,922	50,900	74,523	1,606,345
Additions	29,536	-	16,330	45,866
Eliminated on disposals	-	-	(15,455)	( 15,455)
At 31 March 2021	<u>1,510,458</u>	<u>50,900</u>	<u>75,398</u>	<u>1,636,756</u>
<b>DEPRECIATION</b>				
At 1 April 2020	456,574	40,029	69,460	566,063
Charge for year	32,617	3,093	7,932	43,642
Eliminated on disposals	-	-	(15,455)	( 15,455)
At 31 March 2021	<u>489,191</u>	<u>43,122</u>	<u>61,937</u>	<u>594,250</u>
<b>NET BOOK VALUE</b>				
At 31 March 2021	<u>1,021,267</u>	<u>7,778</u>	<u>13,461</u>	<u>1,042,506</u>
At 31 March 2020	<u>1,024,348</u>	<u>10,871</u>	<u>5,063</u>	<u>1,040,282</u>

## 13. FIXED ASSET INVESTMENTS

### Subsidiary Undertakings

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

	2021		2020	
	Reserves £	Profit / (Loss) £	Reserves £	Profit / (Loss) £
Blairtummock & Rogerfield Opportunities Limited	<u>116,983</u>	<u>(53,624)</u>	<u>170,607</u>	<u>(6,263)</u>

During the year Blairtummock Housing Association Limited provided development, management and financial services to Blairtummock and Rogerfield Opportunities for which a charge of £6,278 (2020-£4,348) was made.

During the year the Association recharged rates and insurance to the subsidiary totalling £Nil (2020-£6,283). The Association looks after deposits and makes payments on behalf of the subsidiary. The Association also provides the subsidiary with the use of the community hall free of charge. As a result, at the statement of financial position date the Association was due £5,748 from the subsidiary (2020-Association owed the subsidiary £7,768).

## 14. NEGATIVE GOODWILL

	2021 £	2020 £
At 1 April 2020	1,229,416	1,257,038
Released during the year to the statement of comprehensive income	(27,622)	(27,622)
At 31 March 2021	<u>1,201,794</u>	<u>1,229,416</u>

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

## 15. RECEIVABLES

	2021	2020
	£	£
Gross arrears of rent and service charges	69,052	76,445
<b>Less:</b> Provision for doubtful debts	<u>(54,034)</u>	<u>(60,937)</u>
<i>Net arrears of rent and service charges</i>	15,018	15,508
Other receivables	201,703	67,325
Amounts due from group undertakings	5,748	-
	<u>222,469</u>	<u>82,833</u>

## 16. CURRENT ASSET INVESTMENTS

	2021	2020
	£	£
Short term deposits	3,571,661	3,063,269
	<u>3,571,661</u>	<u>3,063,269</u>

## 17. CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash at bank and in hand	147,050	327,446
	<u>147,050</u>	<u>327,446</u>

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 18. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans	186,837	182,703
Trade payables	127,273	75,664
Rent received in advance	104,130	71,685
Other taxation and social security	13,633	12,764
Amounts due to group undertakings	-	7,772
Other payables	105,245	87,525
Accruals and deferred income	24,665	37,206
	<u>561,783</u>	<u>475,319</u>

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

	2021	2020
	£	£
Bank loans	3,198,182	3,390,166
	<u>3,198,182</u>	<u>3,390,166</u>

### 20. DEBT ANALYSIS - BORROWINGS

	2021	2020
	£	£
<b>Bank Loans</b>		
Amounts due within one year	186,837	182,703
Amounts due in one year or more but less than two years	191,386	185,848
Amounts due in two years or more but less than five years	603,385	587,847
Amounts due in more than five years	2,403,412	2,616,472
	<u>3,385,020</u>	<u>3,572,870</u>

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

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

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 21. RETIREMENT BENEFIT OBLIGATIONS

#### Scottish Housing Association Pension Scheme

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

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

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

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

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

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

	2021	2020
	£	£
Fair value of plan assets	3,611,000	3,445,000
Present value of defined benefit obligation	4,046,000	3,515,000
Surplus / (deficit) in plan	(435,000)	(70,000)
Unrecognised surplus	-	-
Defined benefit asset / (liability) to be recognised	(435,000)	(70,000)



# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 21. RETIREMENT BENEFIT OBLIGATIONS (continued)

### Scottish Housing Association Pension Scheme (continued.)

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

	2021	2020
	£	£
Defined benefit obligation at the start of period	3,515,000	4,015,000
Expenses	3,000	3,000
Interest expense	82,000	92,000
Actuarial losses (gains) due to scheme experience	(124,000)	(95,000)
Actuarial losses (gains) due to changes in demographic assumptions	-	(23,000)
Actuarial losses (gains) due to changes in financial assumptions	713,000	(407,000)
Benefits paid and expenses	(143,000)	(70,000)
Defined benefit obligation at the end of period	<u>4,046,000</u>	<u>3,515,000</u>

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

	2021	2020
	£	£
Fair value of plan assets at start of period	3,445,000	3,319,000
Interest income	81,000	77,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	126,000	13,000
Contributions by the employer	102,000	106,000
Benefits paid and expenses	(143,000)	(70,000)
Fair value of plan assets at the end of period	<u>3,611,000</u>	<u>3,445,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £207,000

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 21. RETIREMENT BENEFIT OBLIGATIONS (continued)

### Scottish Housing Association Pension Scheme (continued.)

#### Defined benefit costs recognised in the statement of comprehensive income

	2021	2020
	£	£
Expenses	3,000	3,000
Net interest expense	1,000	15,000
	<u>4,000</u>	<u>18,000</u>
Defined benefit costs recognised in statement of comprehensive income	<u>4,000</u>	<u>18,000</u>

#### Defined benefit costs recognised in the other comprehensive income

	2021	2020
Experience on plan assets (excluding amounts included in interest income) - gain/(loss)	126,000	13,000
Experience gains and losses arising on plan liabilities - gain/(loss)	124,000	95,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain/(loss)	-	23,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain/(loss)	(713,000)	407,000
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain/(loss)	<u>(463,000)</u>	<u>538,000</u>
Total amount recognised in other comprehensive income - gain (loss)	<u>(463,000)</u>	<u>538,000</u>

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 21. RETIREMENT BENEFIT OBLIGATIONS (continued)

### Scottish Housing Association Pension Scheme (continued.)

#### Assets

	2021	2020	2019
	£	£	£
Absolute Return	178,000	212,000	281,000
Alternative Risk Premia	145,000	276,000	185,000
Corporate Bond Fund	272,000	252,000	233,000
Credit Relative Value	104,000	83,000	58,000
Distressed Opportunities	123,000	63,000	57,000
Emerging Markets Debt	146,000	123,000	106,000
Fund of Hedge Funds	-	-	9,000
Global Equity	559,000	474,000	534,000
Infrastructure	202,000	203,000	139,000
Insurance-Linked Securities	75,000	92,000	86,000
Liability Driven Investment	868,000	907,000	1,182,000
Long Lease Property	84,000	84,000	40,000
Emerging Markets Debt	27,000	26,000	3,000
Over 15 Year Gilts	2,000	44,000	85,000
Private Debt	85,000	68,000	43,000
Property	65,000	64,000	66,000
Risk Sharing	129,000	109,000	96,000
Secured Income	198,000	191,000	116,000
Opportunistic Illiquid Credit	92,000	84,000	-
Liquid Credit	62,000	90,000	-
Cash	1,000	-	-
High Yield	95,000		
Opportunistic Credit	99,000		
Total assets	<u>3,611,000</u>	<u>3,445,000</u>	<u>3,319,000</u>

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

#### Key Assumptions

	2021	2020	2019
Discount Rate	2.2%	2.4%	2.3%
Inflation (RPI)	3.3%	2.6%	3.3%
Inflation (CPI)	2.9%	1.6%	2.3%
Salary Growth	3.9%	2.6%	3.3%
Allowance for commutation of pension for cash at retirement	<u>75% of maximum allowance</u>		

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 years (years)
Male retiring in 2019	21.5
Female retiring in 2019	23.4
Male retiring in 2039	22.8
Female retiring in 2039	<u>25</u>

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 22. DEFERRED INCOME

	Social Housing Grants £	Shared Ownership Housing Grants £	Non Housing Grants £	Total £
<b>Capital grants received</b>				
At 1 April 2020	22,375,495	659,626	410,314	23,445,435
Additions in the year	27,814	-	-	27,814
Eliminated on disposal	(3,393)	-	-	(3,393)
At 31 March 2021	<u>22,399,916</u>	<u>659,626</u>	<u>410,314</u>	<u>23,469,856</u>
<b>Amortisation</b>				
At 1 April 2020	11,494,506	262,531	140,859	11,897,896
Amortisation in year	545,730	13,352	7,699	566,781
Eliminated on disposal	-	-	-	-
At 31 March 2021	<u>12,040,236</u>	<u>275,883</u>	<u>148,558</u>	<u>12,464,677</u>
<b>Net book value</b>				
At 31 March 2021	<u>10,359,680</u>	<u>383,743</u>	<u>261,756</u>	<u>11,005,179</u>
At 31 March 2020	<u>10,880,989</u>	<u>397,095</u>	<u>269,455</u>	<u>11,547,539</u>

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

	2021 £	2020 £
Amounts due within one year	501,192	599,054
Amounts due in more than one year	10,242,230	10,948,485
	<u>10,743,422</u>	<u>11,547,539</u>

## 23. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2021 £	2020 £
At 1 April	116	115
Issued in year	1	6
Cancelled in year	(3)	(5)
At 31 March	<u>114</u>	<u>116</u>

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

# BLAIRTUMMOCK HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 24. CASH FLOWS

##### Reconciliation of net cash flow to movement in net funds

	£	2021 £	£	2020 £
(Decrease) / increase in cash	(180,396)		183,721	
Change in liquid resources	508,392		(95,592)	
Cashflow from change in net debt	187,850		385,715	
			<u>          </u>	
Movement in net funds in the year		515,846		473,844
Net funds at 1 April		(182,154)		(655,998)
Net funds at 31 March		<u>333,692</u>		<u>(182,154)</u>

	At 01 April 2020 £	Cashflows £	Other Changes £	At 31 March 2021 £
Cash and cash equivalents	327,446	(180,396)	-	147,050
Bank overdrafts	-	-	-	-
	<u>327,446</u>	<u>(180,396)</u>	<u>-</u>	<u>147,050</u>
Liquid resources	3,063,269	508,392	-	3,571,661
Debt: Due within one year	(182,703)	187,850	(191,984)	(186,837)
Due after more than one year	(3,390,166)	-	191,984	(3,198,182)
Net funds	<u>(182,154)</u>	<u>515,846</u>	<u>-</u>	<u>333,692</u>

#### 25. CAPITAL COMMITMENTS

	2021 £	2020 £
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	179,049	663,772
	<u>          </u>	<u>          </u>

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

#### 26. DETAILS OF ASSOCIATION

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

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

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

#### 27. MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £0 (2020 - £1,848) in the year by way of reimbursement of expenses. No remuneration is paid to members in respect of their duties to the Association.

# BLAIRTUMMOCK HOUSING ASSOCIATION L

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

## 28. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2021 No.	2020 No.
General needs	706	706
Shared ownership	19	20
	<u>725</u>	<u>726</u>

## 29. RELATED PARTY TRANSACTIONS

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

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

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

	2021 £	2020 £
Rent received from tenants on the Management Committee and their close family members	<u>22,260</u>	<u>35,024</u>

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £666 (2020 - £1,334).

Members of the Management Committee who are tenants	3	8
Members of the Management Committee who are owner occupiers	1	1