



ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

FCA Registered Number: SP1835/RS
Scottish Charity Number: SC010858
The Scottish Housing Regulator Registered Number: HAL72



Statutory Information for the Year Ended 31 March 2019

COMMITTEE OF MANAGEMENT MEMBERS:

Mr N Robinson - Chairman
Mrs F Miller - Vice Chairperson
Mr S Dryburgh
Ms D McGuire
Mr K Jones
Mrs H Ward
Mr M Trant
Ms A Davis
Mr P McGarry
Mr D Simpson
Mr S Mclvor (co-opted 27 September 2018)
Ms J McCormack (retired 8 April 2019)
Ms A Alexander (appointed 26 July 2018, retired 24 March 2019)
Mr W Thompson (retired 26 July 2018)
Mr D Brown (retired 26 July 2018)
Ms L Gemmill (retired 26 July 2018)
Mr J Edwards (retired 26 July 2018)

CHIEF EXECUTIVE AND SECRETARY :

Mrs F E. Stringfellow

EXECUTIVE OFFICERS:

Mr R G E Holmes (Finance Director)
Mr R I Batt (Operations Director)

REGISTERED OFFICE:

3rd Floor
100 Berkeley Street
Glasgow
G3 7HU

FCA REGISTERED NUMBER:

SCOTTISH CHARITY NUMBER:

THE SCOTTISH HOUSING REGULATOR REGISTERED NUMBER:

SP1835/RS

SC010858

HAL72

AUDITOR:

Scott-Moncrieff Audit Services
25 Bothwell Street
Glasgow
G2 6NL

BANKER:

The Royal Bank of Scotland plc
9 Clifton Place
Glasgow
G3 7JU

SOLICITORS:

Campbell Riddell Breeze Paterson
21 Stewart Street
Milngavie
G62 6BW

Harper MacLeod
The Ca'd'oro
45 Gordon Street
Glasgow
G1 3PE



Blue Triangle (Glasgow) Housing Association Limited

Chairman's Statement

I am delighted to be able to report that in the face of significant sector challenges, where an environment of little or no certainty beyond a few months is the norm, BTHA has again performed extremely well and finished the 2018/19 year in robust health.

The financial statements for the year ended 31 March 2019 show a surplus of £424,598 (2018 - £329,471) and the Statement of Financial Position of the Association shows net assets of £5,376,632 (2018 - £4,953,285).


The Association continues to maintain sound financial management policies and enjoys a strong financial position. The results compare favourably to the budget set, with close control of all areas of income and cost resulting in a healthy performance.

The major internal reviews of the last couple of years were concluded very successfully towards the end of 2018 and the Association has also completed recruitment in vital areas of operation which will allow us to continue to invest in and improve efficiency, and identify further areas for development.

The continuing receipt of high performance ratings from sector regulators during the year is always pleasing and a positive stimulus to everyone. The retention of the silver Investors in People award is also a very public recognition of the maintaining of high standards at which all at BTHA aim!

Flexibility and innovation in service delivery, and stability in management and control over 40+ years have given the Association a firm foundation on which to build as we move towards the 2020's, and these continue to provide us a focus as we seek to support vulnerable and marginalised members of society in Scotland.

As always thank you to everyone, particularly to the project staff teams and Managers for all the fantastic work they do in partnership with service users and their families, and our statutory and third sector partners. Thank you also to the Committee of Management and the various Sub-Committees for all their work and also our Chief Executive, her executive team and the office staff team for their effort and commitment.



N Robinson
Chairman

Date: 25 July 2019



Strategic Report

For the year ended 31 March 2019

The Committee of Management submits its forty third Strategic Report, Annual Report, and Audited Financial Statements for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The principal activity of the Association in the year under review was the provision of special needs housing accommodation and support for homeless persons. The Association was incorporated in Scotland.

The Association continues to operate the supported accommodation projects at;

- ↳ Shettleston Road, Glasgow, which accommodates eight persons (2018 – 8)
- ↳ Holland Street and Sauchiehall Street, Glasgow, which accommodates fifty persons (2018 - 50)
- ↳ Chalmers Court, (Charlotte Street, Ayr), which accommodates twelve persons (2018 - 12)
- ↳ Glasgow Floating Support, which accommodates eight persons (2018 – 8)
- ↳ Bruce Court, Paisley, which accommodates twelve persons (2018 – 12)
- ↳ Somerset Place, Glasgow, which accommodates eight persons (2018 - 8)
- ↳ Viewpark, (Old Edinburgh Road, Uddingston), which accommodates thirteen persons (2018 - 13)
- ↳ Greenside House, Lanark, which accommodates twelve persons (2018 – 12)
- ↳ Bank Street, Kilmarnock, which accommodates ten persons (2018 – 10)
- ↳ Clydesdale Street, Hamilton, which accommodates thirteen persons (2018 – 13)
- ↳ Braehead, Bonhill, which accommodates eight persons (2018 – 8)
- ↳ Alexander Street, Clydebank, which accommodates thirteen persons (2018 – 13)
- ↳ Millhill, Musselburgh, which accommodates nine persons (2018 – 9)
- ↳ Shore Street, Oban, which accommodates fifteen persons (2018 – 15)
- ↳ Solas, Oban, which accommodates five persons (2018 – 5)
- ↳ Wemyss House, Port Seton, which accommodates seven persons (2018 – 7)
- ↳ High Street, Musselburgh, which accommodates five persons (2018 – 5)
- ↳ Lorn Court, Oban, which accommodates six persons (2018 – 6)
- ↳ Don Mor Lodge, Oban, which accommodates six persons (2018 – 6)
- ↳ Victoria Drive East, Renfrew, which accommodates seventeen persons (2018 – 17)
- ↳ Argyle Street, Paisley, which accommodates eleven persons (2018 – 11)
- ↳ Alexander Street, Alexandria, which accommodates ten persons (2018 – 10)
- ↳ Charles Brownlie Services Hamilton and Blantyre which accommodate twenty-three persons (2018 – 23)
- ↳ First Stop East Kilbride, which accommodates seven persons (2018 – 7)
- ↳ North High Street, Musselburgh, which accommodates four persons (2018 - 4)
- ↳ Whattriggs Road, Kilmarnock, which accommodates six persons (2018 – 6)

The Association has received grants from the Scottish Government for capital expenditure together with revenue grants and Community Care monies from Glasgow City Council.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Committee of Management considers that the Association has had a satisfactory year, and appropriate sums have been transferred in the year from revenue reserves to designated reserves created to meet the future property refurbishment and cyclical maintenance costs of the Housing Association's projects. The financial position at the year-end is a healthy one and the Committee remains confident that a continued quality approach to business issues will secure the Association's position in the future.

The Committee of Management is pleased to report turnover in the year of £9,259,095 (2018 - £8,906,076), and the surplus for the year of £424,598 (2018 - £329,471) is considered satisfactory in light of the current economic climate. The Association continues to assess its performance on a project by project basis. Included in this is £47,951 received as a donation on the winding up of Blue Triangle Trust. A condition of the donation is that these funds are used for the same charitable purpose of Blue Triangle Trust and thus the funds have been transferred to a restricted reserve. As funds are used, a transfer will be made from this restricted reserve to the revenue reserve. The net spend from this reserve was £1,250, leaving a balance at the end of £46,701.

RISK MANAGEMENT

The Association has conducted a review of the major risks to which it is exposed and this review is updated annually. Where appropriate, systems or procedures have been established, to mitigate the risks which the Association faces.

KEY PERFORMANCE INDICATORS

The Association monitors Key Performance Indicators for voids, sums owed, bad debts, Care Inspectorate grades, service user satisfaction, occupancy agreements granted, complaints, repairs, staff numbers, staff turnover and absence, financial performance and turnover by local authority area. The Committee of Management review the KPI's quarterly and consider the results for the period under review to be satisfactory.

GOVERNING DOCUMENT

The Association is a registered charity and was registered on 5 June 1975. In addition, the Association is a registered social landlord and is thus registered with The Scottish Housing Regulator and is also registered with the Financial Conduct Authority.



Blue Triangle (Glasgow) Housing Association Limited

Strategic Report

For the year ended 31 March 2019

RECRUITMENT AND APPOINTMENT OF THE COMMITTEE OF MANAGEMENT

At the Annual General Meeting in accordance with the rules of the Association, Mr N Robinson, Mrs F Miller, Mr S Dryburgh and Ms D McGuire retire by rotation and Mr N Robinson, Mrs F Miller, Mr S Dryburgh and Ms D McGuire offer themselves for re-election. Mr S McIvor was co-opted during the year and offers himself for election.

The Committee of Management seeks to ensure that the needs of its client group are appropriately reflected through the diversity of the Committee of Management and Sub-Committee structure. To enhance the potential pool of members, the Association has, through selective advertising and networking, sought to identify people who would be willing to become members and utilise their own skills and experience to assist the Association.

The Committee of Management has a broad range of skills and members. Each year the members are requested to provide a list of their skills and in the event of particular skills being lost due to retirements, individuals are approached to offer themselves for election to the Committee of Management.

COMMITTEE OF MANAGEMENT MEMBERS INDUCTION & TRAINING

Most members of the Committee of Management are already familiar with the practical work of the Association. Where new members are elected, information is supplied regarding the obligations of Committee of Management members, details of the Association's main documents and up to date financial statements. In addition an annual 'Away Day' is held for both members and staff, providing valuable information and updates on topical areas. Members are also encouraged to attend the hostels as part of the regular programme of project visits.

ORGANISATIONAL STRUCTURE

The Association has a Committee of Management of 11 members (in addition 6 retired during the year). The Committee of Management meet eight times per year and there are also a number of Sub-Committees who meet regularly and report directly to the Committee of Management.

A scheme of delegation is in place and day to day responsibility for the provision of the Association's projects rests with the Chief Executive, along with the Finance Director and Operations Director. The Chief Executive is responsible for ensuring that the Association delivers the services specified and that key performance indicators are met.

Signed on behalf of the Committee of Management by:

N Robinson
Chairman

Date: 25 July 2019



Annual Report of the Committee of Management

For the Year Ended 31 March 2019

COMMITTEE OF MANAGEMENT

During the financial year and up to the date these financial statements were signed the Committee of Management was made up as follows:-

Mr N Robinson - Chairman
Mrs F Miller - Vice Chairperson
Mr S Dryburgh
Ms D McGuire
Mr K Jones
Mrs H Ward
Mr M Trant
Ms A Davis
Mr P McGarry
Mr D Simpson
Mr S McIvor (co-opted 27 September 2018)
Ms J McCormack (retired 8 April 2019)
Ms A Alexander (appointed 26 July 2018, retired 24 March 2019)
Mr W Thompson (retired 26 July 2018)
Mr D Brown (retired 26 July 2018)
Ms L Gemmill (retired 26 July 2018)
Mr J Edwards (retired 26 July 2018)

STATEMENT OF RESPONSIBILITIES OF THE COMMITTEE OF MANAGEMENT

The law governing Housing Associations requires the Committee 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 income and expenditure of the Association for that period. In preparing those financial statements the Committee of Management 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 departure disclosed and explained in the financial statements; and
- ↳ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Committee of Management is responsible for maintaining adequate 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 statutory requirements. They are responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INTERNAL FINANCIAL CONTROL

The Committee of Management acknowledge their ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the various business environments 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 Committee 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 mis-statement or loss. Key elements include ensuring that:

- (a) Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- (b) Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- (c) Forecasts and budgets are prepared which allow the Committee of Management and management to monitor the key business risks and financial objectives, and progress towards financial plans set out for the year. During the financial year, regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information. Significant variances from budgets are investigated as appropriate;
- (d) All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the relevant Sub-Committees which are comprised of members of the Committee of Management;
- (e) During the year a number of key areas were reviewed and the recommendations from the reports duly implemented;
- (f) The Committee of Management reviews reports from the external auditor to provide reasonable assurance that control procedures are in place and are being followed;



Annual Report of the Committee of Management (continued)

For the Year Ended 31 March 2019

INTERNAL FINANCIAL CONTROL (cont'd)

- (g) Formal practices have been established for instituting appropriate action to correct weaknesses identified from the reports of the external auditor; and
- (h) Ad-hoc internal reviews are carried out by senior management in respect of systems and procedures in key areas. These reports are reviewed by the Committee of Management and when applicable, improvements are implemented.

The Committee of Management have reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2019. No weaknesses were found in 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.

SHARE CAPITAL

During the year 2 shares were issued (2018-4) and 3 shares were cancelled (2018-1).

RESERVES POLICY

The Association maintains revenue reserves to ensure there are sufficient reserves to continue its normal day to day business.

DESIGNATED RESERVES

Comprised of three separate reserves; the cyclical maintenance provision, property refurbishment provision and the insurance provision. Transfers are made to and from these reserves to the revenue reserve to reflect the cyclical maintenance and property refurbishment costs and uninsured insurance losses incurred during the year, and expected in future years.

RESTRICTED RESERVE

The restricted reserve includes the funds transferred over to the Association in 2018/19 on winding up of Blue Triangle Trust. A condition of the donation is that these funds are used for the same charitable purpose of the Blue Triangle Trust. As funds are used, a transfer will be made from this restricted reserve to the revenue reserve.

EMPLOYEES

The Association recognises the requirement for employees to be informed in matters of concern to them and provide them with relevant information. The Association recognises Unison and a Joint Negotiating Committee is in place to facilitate this process.

DISABLED PERSONS

The Association recognises its obligations towards disabled persons and endeavours to provide as many employment, training and career opportunities as the demands of the Association's operations and the abilities of the disabled persons allow.

DISCLOSURE OF INFORMATION TO THE AUDITOR

As far as each of the members of the Committee of Management at the time this report is approved are aware:

- a) there is no relevant information of which the Association's auditor is unaware; and
- b) the members of the Committee of Management have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

AUDITOR

A resolution for the re-appointment of Scott-Moncrieff will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Committee of Management by:

A black rectangular box redacting the signature of the Chairman.

N Robinson
Chairman

Date: 25 July 2019



Independent Auditor's Report to the Members of Blue Triangle (Glasgow) Housing Association Limited on the Financial Statements for the year ended 31 March 2019

Opinion

We have audited the financial statements of Blue Triangle (Glasgow) Housing Association Limited (the 'Association') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Capital and Reserves, the Statement of Cash Flows and the 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 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 2019 and of its income and expenditure 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 Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2014 issued by the Scottish Housing Regulator.

Basis for opinion

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

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

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

Other information

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

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

We have nothing to report in this regard.

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:

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



Independent Auditor's Report to the Members of Blue Triangle (Glasgow) Housing Association Limited on the Financial Statements for the year ended 31 March 2019

Responsibilities of the Committee of Management

As explained more fully in the Statement of Responsibilities of the Committee of Management set out on page 5, the Committee of Management 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 Committee of Management determine 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 Committee of Management are 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 Committee of Management 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

We have been appointed as auditor under the Co-operative and Community Benefit Societies Act 2014 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Association's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014.

Our audit work has been undertaken so that we might state to the Association's members, as a body, 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.



Scott-Moncrieff, Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Chartered Accountants
25 Bothwell Street
Glasgow
G2 6NL

Date: 25 July 2019



Report by the Auditor to the members of Blue Triangle (Glasgow) Housing Association Limited on Corporate Governance Matters

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 5 and 6 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 on corporate governance matters within Bulletin 2009/4 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on pages 5 and 6 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.

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



Scott-Moncrieff, Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Chartered Accountants
25 Bothwell Street
Glasgow
G2 6NL

Date: 25 July 2019



Statement of Comprehensive Income

For the Year Ended 31 March 2019

	Notes	2019 £	2018 £
Turnover	4	9,259,095	8,906,076
Less: Operating costs	4	8,845,959	8,592,237
Operating surplus	4, 13	413,136	313,839
Decrease in value of investment property	14	(10,000)	-
Gain on sale of fixed assets	7	1,795	3,026
		404,931	316,865
Interest received	8	19,667	12,606
Surplus before taxation		424,598	329,471
Taxation	9	-	-
Surplus for the year		424,598	329,471
Other comprehensive income		-	-
Total comprehensive income for the year		424,598	329,471

The results for the year relate wholly to continuing activities.

The notes form part of these financial statements.



Statement of Financial Position

As at 31 March 2019

	Notes	2019		2018	
		£	£	£	£
TANGIBLE FIXED ASSETS					
Housing properties	14		2,968,238		3,029,975
Land and buildings	14		412,966		424,055
Investment property	14		30,000		40,000
Others - Office equipment & motor vehicles	14		94,417		84,308
TOTAL FIXED ASSETS	14		<u>3,505,621</u>		<u>3,578,338</u>
CURRENT ASSETS					
Debtors	15	585,930		537,257	
Cash and cash equivalents	16a	2,506,221		2,447,006	
Investments	16b	1,064,572		805,201	
			<u>4,156,723</u>		<u>3,789,464</u>
CURRENT LIABILITIES					
Creditors: Amounts falling due within one year	17		<u>858,450</u>		<u>926,919</u>
NET CURRENT ASSETS			<u>3,298,273</u>		<u>2,862,545</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,803,894</u>		<u>6,440,883</u>
CREDITORS: Amounts falling due after more than one year	17		<u>1,427,262</u>		<u>1,487,598</u>
NET ASSETS			<u><u>5,376,632</u></u>		<u><u>4,953,285</u></u>
CAPITAL AND RESERVES					
Share capital	20		55		56
Designated reserves	21		1,375,596		1,336,931
Restricted reserve	21		46,701		-
Revenue reserve	21		3,954,280		3,616,298
			<u>5,376,632</u>		<u>4,953,285</u>

The financial statements were approved by the Committee of Management and were signed on its behalf on 25 July 2019 by:

[Redacted Signature]

N. Robinson, Chairman

[Redacted Signature]

F Stringfellow, Secretary

[Redacted Signature]

F Miller, Vice Chairperson

The notes form part of these financial statements.



Statement of Changes in Capital and Reserves

As at 31 March 2019	Share Capital £	Designated Reserves £	Restricted Reserve £	Revenue Reserve £	Total Reserves £
Balance at 1 April 2018	56	1,336,931	-	3,616,298	4,953,285
Total Comprehensive Income for the year	-	-	-	424,598	424,598
Transfer from revenue reserves to designated reserves	-	38,665	-	(38,665)	-
Transfer from revenue reserve to restricted reserve	-	-	47,951	(47,951)	-
Transfer from restricted reserve	-	-	(1,250)	-	(1,250)
Shares issued during the year	2	-	-	-	2
Shares cancelled during the year	(3)	-	-	-	(3)
Balance at 31 March 2019	<u>55</u>	<u>1,375,596</u>	<u>46,701</u>	<u>3,954,280</u>	<u>5,376,632</u>

As at 31 March 2018	Share Capital £	Designated Reserves £	Restricted Reserve £	Revenue Reserve £	Total Reserves £
Balance at 1 April 2017	53	1,273,079	-	3,350,679	4,623,811
Total Comprehensive Income for the year	-	-	-	329,471	329,471
Transfer from revenue reserves to designated reserves	-	63,852	-	(63,852)	-
Shares issued during the year	4	-	-	-	4
Shares cancelled during the year	(1)	-	-	-	(1)
Balance at 31 March 2018	<u>56</u>	<u>1,336,931</u>	<u>-</u>	<u>3,616,298</u>	<u>4,953,285</u>

The notes form part of these financial statements.



Statement of Cash Flows

For the year ended 31 March 2019

	Notes	2019 £	2018 £
Net cash generated from operating activities	1	348,143	637,623
Cash flow from investing activities			
Purchase of tangible fixed assets		(97,142)	(32,133)
Proceeds from the sale of tangible fixed assets		49,169	15,000
Interest received		19,667	12,606
Restricted reserve expended		(1,250)	-
Net cash (used) / generated from investing activities		<u>(29,556)</u>	<u>(4,527)</u>
Cash flow from financing activities			
Issue of share capital		2	4
Cancelled shares		(3)	(1)
Net deposit to current asset investment		(259,371)	(805,201)
Net cash (used) / generated from financing activities		<u>(259,372)</u>	<u>(805,198)</u>
Change in cash and cash equivalents in the year		59,215	(172,102)
Cash and cash equivalents at 1 April		<u>2,447,006</u>	<u>2,619,108</u>
Cash and cash equivalents at 31 March	16a	<u><u>2,506,221</u></u>	<u><u>2,447,006</u></u>

The notes form part of these financial statements.



Notes to the Statement of Cash Flows

For the year ended 31 March 2019

	2019 £	2018 £
1. Net cash generated from operating activities		
Surplus for the year	424,598	329,471
Adjustments for non cash items:		
Depreciation	112,485	109,603
Increase in debtors	(48,673)	(98,952)
(Decrease)/Increase in creditors	(64,879)	377,059
Gain on sale of fixed assets	(1,795)	(3,026)
Decrease in value of investment property	10,000	-
Release of deferred Government capital grants	(63,926)	(63,926)
Adjustments for investing and financing activities		
Interest received	(19,667)	(12,606)
	<u>348,143</u>	<u>637,623</u>



Notes to the Financial Statements for the Year Ended 31 March 2019

1. GENERAL INFORMATION

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Housing Requirements 2014 as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2014.

The preparation of these financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see note 3).

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the Association's transactions are denominated. The financial statements are the results of the Association only.

The continuing activity of Blue Triangle (Glasgow) Housing Association Limited is the provision of special needs housing accommodation for homeless persons.

The Association is defined as a public benefit entity and thus the Association complies with all disclosure requirements relating to public benefit entities. The Association is a registered social landlord in Scotland and its registered number is HAL72. Details of the registered office can be found on the statutory information page of these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented, in dealing with items which are considered material in relation to the Association's financial statements unless otherwise stated.

(a) Basis of preparation

The financial statements are prepared under the historical cost convention subject to the revaluation of investment properties. The effect of events relating to the year ended 31 March 2019, which occurred before the date of approval of the financial statements by the Committee of Management have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2019 and of the results for the year ended on that date.

(b) Going Concern

The Association has a healthy cash position and although the Committee of Management anticipates a deficit for 2019/20 and 2020/21, the Committee is satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus the Committee continues to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from the Scottish Government, local authorities and other agencies.

(d) Apportionment of management expenses

Direct employee, administration and operating expenditure have been apportioned to the relevant sections of the Statement of Comprehensive Income on the basis of costs of staff directly attributable to the operations dealt with in the financial statements. Management and administration costs are further apportioned on the basis of total costs.

The costs of cyclical and major repairs are charged to the Statement of Comprehensive Income in the year in which they are incurred.

(e) Pensions

The Association operates a group personal pension scheme in respect of its employees which meets current auto-enrolment legislation and is registered with the Pensions Regulator. The assets of the scheme are held separately from those of the Association. The pension cost charge to the Statement of Comprehensive Income represents the total contributions payable by the Association to the scheme in respect of the year.

(f) Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

(g) Interest receivable

Interest receivable is recognised in the Statement of Comprehensive Income using the effective interest rate method.



Notes to the Financial Statements for the Year Ended 31 March 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) **Interest payable**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

(i) **Fixed Assets - Housing Properties (Note 14)**

Housing properties are stated at cost. The development cost of housing properties funded with Government Capital Grants or under earlier funding arrangements includes the following:

- (i) cost of acquiring land and buildings;
- (ii) development expenditure; and
- (iii) interest charged on the mortgage loans raised to finance the scheme during the development stage.

These costs are either termed "qualifying costs" by The Scottish Government for approved Capital Grant schemes or are considered for mortgage loans, or are met out of the Association's reserves.

All invoices and architect's certificates relating to capital expenditure incurred in the year are included in the financial statements for the year, provided that the dates of issue or valuation are prior to the year end. Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

(j) **Depreciation**

(i) **Housing properties:**

Freehold land is not depreciated. Major components are treated as separable assets and depreciated over their expected useful economic lives, at the following annual rates:

Structure	50 years
Roofs	50 years
Windows	25 years
Bathrooms	25 years
Kitchens	15 years
Boilers	15 years
Radiators	25 years

(ii) **Office premises:**

Office premises are depreciated on cost at 2% per annum.

(iii) **Other fixed assets:**

Office equipment (20%), office equipment – short life (33.33%) and motor vehicles (25%) have been depreciated on cost.

(k) **Investment Properties**

Investment properties are properties held for commercial lettings. These properties are held at their market value. The fair value of each property will be considered at each reporting date and any changes will be recognised in the Statement of Comprehensive Income.

(l) **Development Administration Costs**

Development administration costs relating to development activities are capitalised based on an apportionment of the staff time spent directly on this activity.

(m) **Capitalisation of Interest**

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme.

(n) **Debtors**

Short term debtors are measured at transaction price, less any impairment.

(o) **Rental arrears**

Rental arrears represents amounts due by service users for rental of social housing properties at the year end. Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in Note 15.



Notes to the Financial Statements for the Year Ended 31 March 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

(q) Current asset investments

Current asset investments are cash balances held on deposit which are not readily accessible for a period greater than 3 months.

(r) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(s) Financial Instruments

The Association only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets are derecognised when contractual rights to the cash flows from the assets expire, or when the Association has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

(t) Government Capital Grants

Government Capital Grants, at amounts approved by The Scottish Government or local authorities, are paid directly to the Association as required to meet its liabilities during the development process. This is treated as a deferred capital grant and is released to income over the useful life of the assets it relates to on completion of the development phase.

(u) Government Revenue Grants

Government revenue grants are recognised using the accrual model which means the Association recognises the grant in income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

(v) Non-government capital and revenue grants

Non-government capital and revenue grants are recognised using the performance model. If there are no performance conditions attached the grants are recognised as revenue when the grants are received or receivable.

A grant that imposes specific future performance related conditions on the recipient is recognised as revenue only when the performance related conditions are met.

A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

(w) Reserves

Designated reserves

Comprised of three separate reserves; the cyclical maintenance provision, property refurbishment provision and the insurance provision. Transfers are made to and from these reserves to the revenue reserve to reflect the cyclical maintenance and property refurbishment costs and uninsured insurance losses incurred during the year, and expected in future years.

Restricted reserve

The restricted reserve includes the funds transferred over to the Association in 2018/19 on winding up of Blue Triangle Trust. A condition of the donation is that these funds are used for the same charitable purpose of the Blue Triangle Trust. As funds are used, a transfer will be made from this restricted reserve to the revenue reserve.

Revenue reserve

The revenue reserve includes all current and prior year retained surpluses or deficits and transfers to/from the designated reserves.



Notes to the Financial Statements for the Year Ended 31 March 2019

3. JUDGEMENTS IN APPLYING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Committee of Management are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Estimate

Useful lives of property, plant and equipment

The main components of housing properties and their useful lives

Recoverable amount of rental and other trade receivables

The valuation of the investment property

Basis of estimation

The useful lives of property, plant and equipment are based on the knowledge of senior management at the Association, with reference to expected asset life cycles.

The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.

Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.

The investment property was valued by an appropriately qualified surveyor using market data at the date of valuation.

4. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	Turnover 2019	Operating Costs 2019	Operating Surplus 2019	Turnover 2018	Operating Costs 2018	Operating Surplus 2018
	£	£	£	£	£	£
Social Lettings (note 5)	9,259,095	8,845,959	413,136	8,906,076	8,592,237	313,839
Other Activities (note 6)	-	-	-	-	-	-
Total	9,259,095	8,845,959	413,136	8,906,076	8,592,237	313,839