



Alexander Sloan
Accountants and Business Advisers

Clydebank Housing Association

Report and Financial Statements

For the year ended 31 March 2020

Registered Social Landlord No. HAL86

FCA Reference No. 2191R(S)

Scottish Charity No. SC033962

CLYDEBANK HOUSING ASSOCIATION

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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CLYDEBANK HOUSING ASSOCIATION

MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS YEAR ENDED 31 MARCH 2020

Management Committee

Kinberley Tennant	Chairperson
Catherine McGarrity	Vice Chairperson
Paul Shiach	Secretary
John Hillhouse	Treasurer
Patricia Betty	Resigned June 2019
Doris Smith	
Grace Daly	
John Calderwood	
Joe O'Donnell	
Laura Breeze	Joined May 2019 (co-opted then casual vacancy)
Thomas McCormack	Appointed June 2019, resigned September 2019, re-joined March 2020 (casual vacancy)
Cllr John Mooney	Co-opted Member
Cllr Marie McNair	Co-opted Member

EXECUTIVE OFFICERS

Sharon Keenan	Chief Executive Officer
Lynette Lees	Head of Finance & Corporate Services
Joe Farrell	Head of Housing Services
Alison Macfarlane	Housing Services Manager
Fiona White	Finance & Corporate Services Manager

REGISTERED OFFICE

77-83 Kilbowie Road
Clydebank
G81 1BL

EXTERNAL AUDITORS

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

INTERNAL AUDITORS

Wylie & Bisset LLP
168 Bath Street
Glasgow
G2 4TP

BANKERS

Bank of Scotland
Sylvania Way South
Clyde Shopping Centre
Clydebank
G81 2TL

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

SOLICITORS

Harper Macleod
Citypoint 65
Haymarket Terrace
Edinburgh
EH12 5HD

CLYDEBANK HOUSING ASSOCIATION

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

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

Legal Status

The Association is a Registered Society registered under the Co-operative and Community Benefit Societies Act 2014 (No. 2191RS). The Association is governed under its Rule Book and is a Registered Scottish Charity with the charity number SC039962. The Association is registered with The Scottish Government as a Registered Property Factor, registration no. PF000231.

The Association is a member of the Scottish Federation of Housing Associations.

Principal Activity

The principal activity of the Association is the provision of housing for let at rents affordable to the client groups for whom it intends to provide.

The Association became a Scottish Charity on 10 December 2002. Financial strength has been maintained which will allow our medium to long term major repairs programme to be funded as well as continuing to provide high levels of service to our tenants.

The Association has had greater involvement in identifying and participating in Wider Action activities within our area of operation for the benefit of our tenants and the wider community.

Review of Business and Future Developments

The Association reported a surplus of £1,366,955 (2019 - £1,325,996) and after accounting for the pension movements recorded total comprehensive income of £2,109,955.

The Association remains in a strong financial position with over £8.2m deposited as cash funds and is committed to investing in its stock. In 2020/21, CHA has an extensive programme of major improvement works planned for its properties including heat and smoke alarm renewals ongoing for a large proportion of its properties. CHA has provided for considerable funds over the next five years to continue its extensive repairs programme, all of which has been costed and is incorporated into long-term financial plans. A total spend of £12.5m is expected in major repairs in CHA properties over the next 5 years and all tenants and factored owners have received personalised 5 year plans informing them of the proposed works.

Since early 2016, our development function has once again come to the fore with our 44 unit affordable housing project completed at Graham Avenue in 2018, a further 37 units at Queens Quay and a potential development at the former St. Cuthbert's site in Linnvale to build 24 units in the pipeline. The Management Committee remains committed to growing our stock base and therefore we continue to liaise with our West Dunbartonshire and Scottish Government colleagues to secure grant funding for other development proposals. Additionally, as well as continuing to ensure ongoing SHQS compliance, we are now working towards the 2020 deadline for the new Energy Efficiency Standard for Scottish Housing (EESH2) compliance.

Scottish Social Housing Charter

The Association continues to monitor its performance against the Scottish Social Housing Charter with its seventh year statistical information due to be submitted to the Scottish Housing Regulator in July 2020.

Date of Annual General Meeting

The AGM was scheduled to be held on the 25 June 2020 however it has been postponed due to the current COVID-19 pandemic. The revised date will be notified to members when agreed.

Strategic Aims and Objectives

Clydebank Housing Association will aim to achieve its mission by delivering a range of high quality housing and regeneration services, which meet or exceed the needs and aspirations of our customers. We will maximise both our financial and staff resources to achieve value for money, responding to change and working with others to regenerate Clydebank.

CLYDEBANK HOUSING ASSOCIATION

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

Review of Business and Future Developments (Continued)

Our strategic objectives are:

1. To provide quality, affordable housing that meets the changing needs of our customers and ensure fair access to housing within our area.
2. To manage the houses provided, in a professional and cost effective manner, for the benefit of our local community and the environment.
3. To provide a first class maintenance service which offers value for money and ensures the comfort and safety of our residents while achieving high levels of satisfaction.
4. To work in partnership with others, supporting our tenants and other customers, to maximise opportunities for physical and socio-economic regeneration in Clydebank.
5. To ensure local decision making and community control, we will encourage our tenants and other customers to influence our policy and participate in decisions, which may affect them.
6. To ensure that our resources are adequate to deliver our objectives by investing in our people, demonstrating value for money and through robust procurement practices.
7. To promote social inclusion by applying principles of equality and diversity to everything we do.

Operational Review

Corporate Governance

Our governing body is our Management Committee, which is elected by and is responsible to the wider membership. It is the responsibility of the Committee to determine the strategy and overall direction for the Association and its policies. They also monitor the operational activities of the Association and set standards of service delivery.

The Management Committee members serve in a voluntary capacity and are unpaid. We recognise that this puts even more onus on us to ensure that we set and achieve high standards of professionalism in our work. We take governance very seriously and review our Governance policies and processes regularly as well as undertaking significant training in this regard.

The Executive Team is responsible for achieving the strategy set, undertaking the operational activities in line with the policies set.

This report details issues that have arisen during the year relating to the main activities undertaken by the Association.

Corporate Services

Tenant involvement and participation is a major part of our Aims and Objectives and we continue to review how the Association involves tenants in its activities. The Association is committed to involving tenants in decision making and policy making ensuring Scottish Housing Regulator (SHR) governance compliance as well as meeting the requirements of the Scottish Social Housing Charter (SSHC). This includes continued customer engagement (formation of a tenants' panel and focus groups, increase numbers on consultation register) and performance reporting.

Performance Management

Service delivery is underpinned by staff performance. This continues to be a high priority for us. We continue to invest in our staff in terms of provision and access to training opportunities in order to ensure that a high level of performance is maintained. In this regard, Clydebank Housing Association Limited holds the Investors in People Gold accreditation, the Investors in Young People Gold award for Good Practice and is a Living Wage employer. Maintaining the Gold Standard means that the Association not only met the core foundation of people management excellence but has provided significant evidence of many areas of good practice.

CLYDEBANK HOUSING ASSOCIATION

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

Review of Business and Future Developments (Continued)

Best use of resources and Asset Management

We regularly conduct risk assessments and take any action necessary to reduce or limit risk. We have continued with a programme of major investment in our housing stock, which is by far our most costly asset, in line with our Asset Management Strategy which was agreed in December 2018 and reviewed and updated in February 2020. This includes carrying out both major repair and cyclical repairs and also considering whether any of our schemes should be improved further to meet the changing requirements of tenants in the future.

We regularly update our stock condition information, with a recent detailed survey carried out in September 2018 and being refreshed for additional surveyed properties in 2019, to ensure that our long-term financial planning reflects our future investment requirements. We will continue to review the stock condition survey plans and ensure they are accurate and fully costed in line with the Scottish Regulator's recent Engagement Plan for the Association.

Services

The Association provides a full range of property management to tenants and factored owners involving reactive, planned and cyclical maintenance. The Association continually assesses and invests in its stock to ensure that it is of good quality, remains desirable and meets regulatory standards. We do this by maintaining accurate information and by continually assessing our stock through regular inspections and by carrying out physical stock condition surveys. We surveyed 10% of our homes for Scottish Housing Quality Standard (SHQS) compliance to March 2019, have surveyed a further 20% in 2019/2020, and will continue to do so each year thereafter until we have physically surveyed all of the properties.

The current Covid-19 pandemic has, unsurprisingly but disappointedly, had an adverse impact on the Association's ability to both complete the 2019/20 Major Repairs programme and commence with the 2020/21 programme of work. The Association will be monitoring the Scottish Government guidance closely and are liaising with contractors to put in place the appropriate health and safety measures to ensure that the major repairs investment programme can be delivered safely and without prolonged delays.

Welfare reform continues to present a challenge and our rent arrears have increased over the past year. Our performance remains within the levels both nationally and locally based on the most up to date available figures (2018/19) as at 31st March 2020.

Due to the uncertain times caused by the Covid-19 pandemic, rent arrears will remain a key concern for the Association with an emphasis on support and assistance for its tenants. There is no doubt that the current crisis will have a further significant impact on the Association's rent arrears going forward and it shall continue to prioritise arrears recovery and further resources will be diverted to arrears management from other functions as required. The Association has committed to employing a part-time Welfare Rights Officer who will be employed in the coming year to support with these issues.

Housing Issues

The Association continues to work on reducing the period of time taken to re-let or let new properties, to ensure that we maximise our effectiveness in housing people in need and reduce our costs. The rent loss due to empty properties was £12,625 which represents 0.29% of total rental income (2019 - £17,541).

Other Areas

Risk Management Policy

Risk management is linked directly to the fulfilment of our strategic objectives. The Committee has a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the Association faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Committee review the adequacy of the Association's current internal controls.

CLYDEBANK HOUSING ASSOCIATION

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

Review of Business and Future Developments (Continued)

The Committee have implemented strategies and reviewed timeously received information which identified the current and ongoing risks associated with the Covid-19 pandemic as well as implement necessary measures to ensure the health and well-being of staff, tenants, shareholders and other customers.

The Association implemented keys aspects of its Disaster Recovery Procedure and have begun work to implement this document into a more robust Business Continuity Plan which will incorporate contingency planning and stress testing.

The Management Committee has set policies on internal controls which cover the following:

- consideration of the type of risks the Association faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks concerned materialising;

- the Association's ability to reduce the incidence and impact on the business of risks that do materialise; and the costs of operating particular controls relative to the benefit obtained.
- clarified the responsibility of management to implement the Committee's policies and to identify and evaluate risks for their consideration.
- communicated that employees have responsibility for internal control as part of their accountability for achieving objectives.

- embedded the control system in the charity's operations so that it becomes part of the culture of the Association.
- developed systems to respond quickly to evolving risks arising from factors within the charity and to changes in the external environment.
- included procedures for reporting failings immediately to appropriate levels of management and the Committee together with details of corrective action being undertaken.

The Management Committee has overall responsibility for the Association and there is a formal schedule of matters specifically reserved for decision by the Committee.

Treasury Management

The Association has a robust treasury management function, which operates in accordance with a Treasury Management Policy and an Investment Strategy both approved by the Management Committee. The Association recognises the importance of cash management and the administration and compliance with the terms set out in its loans with current lenders, Clydesdale Bank and CAF Bank. The Association manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held.

The Association, as a matter of policy, does not enter into transactions of a speculative nature. At 31 March 2020, the Association has a mix of fixed and variable rate finance, which it considers appropriate at this time.

Maintenance policies

The Association seeks to maintain its properties to the highest standard. To this end, programmes of cyclical repairs are carried out in the medium term to deal with the gradual and predictable deterioration of building components. It is expected that the cost of all these repairs would be charged to the Statement of Comprehensive Income.

In addition, the Association has a long-term programme of major repairs to cover for works which have become necessary since the original developments were completed, including works required by subsequent legislative changes. This includes replacement or repairs to features of the properties, which have come to the end of their economic lives. Efforts are now being concentrated on compliance with the Energy Efficiency Standard for Social Housing (EESH and EESH2) and we will also be prioritising energy efficiency advice for tenants to assist with any fuel poverty issues they may have.

CLYDEBANK HOUSING ASSOCIATION

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

Review of Business and Future Developments (Continued)

Procurement

The Association is committed to ensuring best value for money and quality of service when securing contracts and purchasing goods and services. Value for money is embedded in our Rent Setting mechanisms, Business Plan, Financial projections and objectives. The Association aims to ensure that value for money is applied throughout all activities and is detailed in the Value for Money Strategy which was reviewed and approved in February 2020.

Additionally, to assist CHA with this commitment we underwent a Procurement & Commercial Improvement Plan (PCIP) assessment carried out by Scotland Excel in 2019. The PCIP focuses on the policies and procedures driving procurement performance and the delivery of results.

Internal Financial Control

The Management Committee is responsible for establishing and maintaining the Association's system of internal control. Internal control systems are designed to meet the particular needs of the Association and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The key procedures which the Committee of Management has established with a view to providing effective internal financial are outlined on page 4.

Management Structure

The Management Committee has overall responsibility for the Association and there is a formal schedule of matters specifically reserved for decision by the Committee.

Quality and Integrity of Personnel

The integrity and competence of personnel are ensured through high recruitment standards and subsequent training courses. High quality personnel are seen as an essential part of the control environment and the ethical standards expected are communicated through the Chief Executive Officer.

Budgetary Process

Each year the Management Committee approves the annual budget and rolling five-year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Committee of variances from the budget, updated forecasts for the year together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure and treasury management.

Rental Income

The Association's Rent Policy is clear and transparent and is based on the size, type and makeup of the accommodation. The policy ensures that the rent structure is easy to administer and covers the different types of properties owned by the Association. This policy follows the generally accepted practice/principles of most Housing Associations.

Employee Involvement and Health & Safety

The Association encourages employee involvement in all major initiatives including the development of key operational risk assessments.

Disabled Employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. An interview is guaranteed to all those applicants who meet the minimum criteria. In the event of employees becoming disabled, every effort is made to re-train them and identify and implement required adjustments in order that their employment with the Association may continue. It is the policy of the Association that training, career development and promotion opportunities should be available to all employees.

Sales of housing properties

Properties are disposed of under the appropriate legislation and guidance. All costs, first tranche sales, and grants relating to the share of property sold are removed from the financial statements at the date of sale. Any grants received that cannot be repaid from the proceeds of sale are abated and the grants removed from the financial statements.

The Association notified its tenants that the Right to Buy scheme came to an end in Scotland on 1 August 2016.

CLYDEBANK HOUSING ASSOCIATION

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

Property Purchases

During the year to 31 March 2020, the Association bought back 2 shared ownership properties and 2 properties through the Open Market Purchase Policy.

Management Committee and Executive Officers

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

Each member of the 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 .

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

Statement of Management Committee's Responsibilities

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

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

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

Going Concern

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

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.

CLYDEBANK HOUSING ASSOCIATION

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

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

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

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

Donations

During the year the Association made charitable donations amounting to £375 (Management Committee - £220).

Disclosure of Information to the Auditor

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

Auditors

The Association are currently procuring for Audit Services and a motion to approve a successful firm will be taken for approval at the forthcoming Annual General Meeting.



By order of the Management Committee

PAUL SHIACH

Secretary

16 June 2020

CLYDEBANK HOUSING ASSOCIATION

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

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

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 7 has provided the disclosures required by the relevant Regulatory Standards with the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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



ALEXANDER SLOAN

Accountants and Business Advisers
Statutory Auditors
GLASGOW
16 June 2020



CLYDEBANK HOUSING ASSOCIATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLYDEBANK HOUSING ASSOCIATION

Opinion

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

In our opinion the financial statements:

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

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

in 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

We have nothing to report in this regard.

CLYDEBANK HOUSING ASSOCIATION

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

Matters on which we are required to report by exception

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

- proper books of account have not been kept by the Association in accordance with the requirements of the 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 7, the Management Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

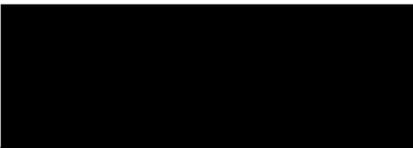
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our Report

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



ALEXANDER SLOAN

Accountants and Business Advisers
Statutory Auditors
GLASGOW
16 June 2020



Alexander Sloan
Accountants and Business Advisers

CLYDEBANK HOUSING ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Revenue	2		5,263,204		5,165,463
Operating costs	2		3,881,996		3,830,086
OPERATING SURPLUS			1,381,208		1,335,377
Gain on sale of housing stock	7	-		51,389	
Exceptional item	26	26,943		12,999	
Interest receivable and other income		64,494		46,354	
Interest payable and similar charges	8	(87,690)		(97,123)	
Other Finance income/(charges)	10	(18,000)		(23,000)	
			(14,253)		(9,381)
SURPLUS FOR THE YEAR			1,366,955		1,325,996
Other comprehensive income					
Adjustment relating to opening pension liability	19		-		(252,055)
Actuarial gains/(losses) on defined benefit pension plan	19		743,000		(188,000)
TOTAL COMPREHENSIVE INCOME			2,109,955		885,941

The results relate wholly to continuing activities.

The notes on pages 16 to 36 form an integral part of these financial statements.

CLYDEBANK HOUSING ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
NON-CURRENT ASSETS					
Housing properties - depreciated cost	11		29,740,767		29,230,200
Other tangible assets	11		3,003,078		3,006,321
Investments	13		392,611		365,669
			<u>33,136,456</u>		<u>32,602,190</u>
CURRENT ASSETS					
Receivables	14	609,542		672,030	
Cash and cash equivalents	15	8,208,303		7,395,913	
			<u>8,817,845</u>	<u>8,067,943</u>	
CREDITORS: Amounts falling due within one year	16	(1,707,047)		(1,542,464)	
NET CURRENT ASSETS			<u>7,110,798</u>	<u>6,525,479</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			40,247,254		39,127,669
CREDITORS: Amounts falling due after more than one year	17		(3,605,720)		(3,779,116)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish housing association pension scheme	19	-		(866,000)	
			-		(866,000)
DEFERRED INCOME					
Social housing grants	20	(13,241,521)		(13,124,218)	
Other grants	20	(2,049,397)		(2,117,658)	
			<u>(15,290,918)</u>	<u>(15,241,876)</u>	
NET ASSETS			<u>21,350,616</u>	<u>19,240,677</u>	
EQUITY					
Share capital	21		146		162
Revenue reserves			21,350,470		20,106,515
Pension reserves			-		(866,000)
			<u>21,350,616</u>		<u>19,240,677</u>

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 16 June 2020.

Committee Member

Committee Member

Secretary

The notes on pages 16 to 36 form an integral part of these financial statements.

CLYDEBANK HOUSING ASSOCIATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020	2019
		£	£
Surplus for the Year		1,366,955	1,325,996
<i>Adjustments for non-cash items:</i>			
Depreciation of tangible fixed assets	11	1,083,366	1,020,035
Amortisation of capital grants	20	(589,056)	(536,735)
(Gain)/Loss on disposal of tangible fixed assets		64,226	(51,389)
Non-cash adjustments to pension provisions		(176,884)	(118,000)
Profit from subsidiary		26,942	(12,999)
Share capital written off	21	(28)	(9)
		<u>408,566</u>	<u>300,903</u>
Interest receivable		(64,494)	(46,354)
Interest payable	8	87,690	66,410
		<u>87,690</u>	<u>66,410</u>
Operating cash flows before movements in working capital		1,798,717	1,646,955
Change in debtors		113,909	(49,704)
Change in creditors		(177,076)	78,795
		<u>(63,167)</u>	<u>29,091</u>
Net cash inflow from operating activities		1,735,550	1,676,046
Investing Activities			
Acquisition and construction of properties		(1,340,392)	(2,294,198)
Purchase of other fixed assets		(99,305)	(11,714)
Social housing grant received		621,411	57,694
Social housing grant repaid		(34,734)	-
Proceeds on disposal of housing properties		-	52,500
		<u>(853,020)</u>	<u>(2,195,718)</u>
Net cash outflow from investing activities		(853,020)	(2,195,718)
Financing Activities			
Loan Advances Received		527,319	739,637
Interest received on cash and cash equivalents		64,494	46,354
Interest paid on loans		(87,690)	(66,410)
Loan principal repayments		(574,275)	(433,317)
Share capital issued	21	12	7
		<u>(70,140)</u>	<u>286,271</u>
Net cash (outflow) / inflow from financing activities		(70,140)	286,271
Increase/(decrease) in cash	22	812,390	(233,401)
Opening cash & cash equivalents		7,395,913	7,629,314
Closing cash & cash equivalents		<u>8,208,303</u>	<u>7,395,913</u>
Cash and cash equivalents as at 31 March			
Cash	22	8,208,303	7,395,913
		<u>8,208,303</u>	<u>7,395,913</u>

The notes on pages 16 to 36 form an integral part of these financial statements.

CLYDEBANK HOUSING ASSOCIATION

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2020

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 1 April 2018	164	-	18,354,574	18,354,738
Issue of Shares	7	-	-	7
Cancellation of Shares	(9)	-	-	(9)
Other comprehensive income	-	(440,055)	-	(440,055)
Other movements	-	(425,945)	425,945	-
Surplus for the year	-	-	1,325,996	1,325,996
Balance as at 31 March 2019	162	(866,000)	20,106,515	19,240,677
Balance as at 1 April 2019	162	(866,000)	20,106,515	19,240,677
Issue of Shares	12	-	-	12
Cancellation of Shares	(28)	-	-	(28)
Other comprehensive income	-	743,000	-	743,000
Other movements	-	123,000	(123,000)	-
Surplus for the year	-	-	1,366,955	1,366,955
Balance as at 31 March 2020	146	-	21,350,470	21,350,616

The notes on pages 16 to 36 form an integral part of these financial statements.

CLYDEBANK HOUSING ASSOCIATION

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

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

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

Revenue

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

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

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

Retirement Benefits

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

Going Concern

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

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 Clydebank Housing Association Limited present information about it as an individual undertaking and not about the group.

CLYDEBANK HOUSING ASSOCIATION

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

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Housing Properties

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

<i>Component</i>	<i>Useful Economic Life</i>
Structure	Over 50 years
Kitchen	Over 20 years
Bathroom	Over 25 years
Gas Boiler	Over 15 years
Radiator & Pipe Work	Over 30 years
Electric Heating	Over 25 years
Rewiring	Over 30 years
Ventilation units	Over 10 years
Door entry system	Over 15 years
Lifts	Over 10 years
Heating system	Over 10 years
Doors & Windows	Over 20 years
Emergency Lights	Over 10 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:

<i>Asset Category</i>	<i>Depreciation Rate</i>
Furniture and Fittings	Over 5 years
Computer Equipment	Over 3 years
Office Equipment	Over 5 years
Electric Motor Vehicles	Over 5 years

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.

CLYDEBANK HOUSING ASSOCIATION

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

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

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.

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

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

VAT

The Association were VAT registered up to 31st December 2019. The substantial proportion of its income was exempt for VAT purposes. As a result most of the VAT paid was not recovered and therefore expenditure is shown inclusive of VAT.

CLYDEBANK HOUSING ASSOCIATION

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

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

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.

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 potential.

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.

CLYDEBANK HOUSING ASSOCIATION

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

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Key Judgements and estimates made in the application of Accounting Policies

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

Key Judgements

a) Categorisation of Housing Properties

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

b) Identification of cash generating units

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

c) Financial instrument break clauses

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

d) Pension Liability

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

Estimation Uncertainty

a) Rent Arrears - Bad Debt Provision

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

b) Life Cycle of Components

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

c) Useful life of properties, plant and equipment

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

d) Costs of shared ownership

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

e) Defined pension liability

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

f) Allocation of share of assets and liabilities for multi employer schemes

Judgements in respect of the assets and liabilities to be recognised are based upon source information provided by administrators of the multi employer pension schemes and estimations performed by the Pensions Trust.

CLYDEBANK HOUSING ASSOCIATION

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

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

	Notes	Turnover £	Operating costs £	Operating surplus / (deficit) £	Turnover £	Operating costs £	Operating surplus / (deficit) £
Affordable letting activities	3	4,904,660	3,401,976	1,502,684	4,699,271	3,283,647	1,415,624
Other Activities	4	358,544	480,020	(121,476)	466,192	546,439	(80,247)
Total		5,263,204	3,881,996	1,381,208	5,165,463	3,830,086	1,335,377

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

	General Needs Housing £	Shared Ownership £	2020 Total £	2019 Total £
Revenue from Lettings				
Rent receivable net of service charges	4,119,123	97,415	4,216,538	4,072,052
Service charges receivable	108,842	2,846	111,688	107,913
Gross income from rent and service charges	4,227,965	100,261	4,328,226	4,179,965
Less: Rent losses from voids	12,625	-	12,625	17,457
Income from rents and service charges	4,215,340	100,261	4,315,601	4,162,508
Grants released from deferred income	564,569	24,490	589,059	536,763
Total turnover from affordable letting activities	4,779,909	124,751	4,904,660	4,699,271
Expenditure on affordable letting activities				
Management and maintenance administration costs	1,325,811	41,152	1,366,963	1,328,786
Service costs	153,443	-	153,443	107,913
Planned and cyclical maintenance, including major repairs	364,882	-	364,882	374,265
Reactive maintenance costs	463,817	-	463,817	484,153
Bad Debts - rents and service charges	42,557	-	42,557	53,294
Depreciation of affordable let properties	982,190	28,124	1,010,314	935,236
Operating costs of affordable letting activities	3,332,700	69,276	3,401,976	3,283,647
Operating surplus on affordable letting activities	1,447,209	55,475	1,502,684	1,415,624
2019	1,354,848	60,776		

CLYDEBANK HOUSING ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Grants from Scottish Ministers	Other revenue grants	Other income	Total Turnover	Other operating costs	Operating surplus / (deficit) 2020	Operating surplus / (deficit) 2019
	£	£	£	£	£	£	£
Wider role activities	192,274	-	110,017	302,291	416,259	(113,968)	(87,554)
Factoring	-	-	12,001	12,001	12,799	(798)	179
Development administration costs	-	-	3,561	3,561	17,845	(14,284)	(11,733)
Other activities	-	-	40,691	40,691	33,117	7,574	18,861
Total From Other Activities	192,274	-	166,270	358,544	480,020	(121,476)	(80,247)
2019	275,582	2,160	188,450	466,192	546,439	(80,247)	

Funding for wider role activities received in the year from the Scottish Government was £192,274 (2019: £277,742). Corresponding operating costs relating to this income was £192,468 (2019: £277,742).

CLYDEBANK HOUSING ASSOCIATION

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

5. OFFICERS' EMOLUMENTS

	2020 £	2019 £
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	<u>74,768</u>	<u>73,152</u>
Pension contributions made on behalf of Officers with emoluments greater than £60,000	<u>7,419</u>	<u>7,252</u>
Emoluments payable to Chief Executive Officer (excluding pension contributions)	74,768	73,152
Pension contributions paid on behalf of the Chief Executive Officer	<u>7,419</u>	<u>7,252</u>
Total emoluments payable to the Chief Executive Officer	<u>82,187</u>	<u>80,404</u>
Total emoluments paid to key management personnel	<u>315,890</u>	<u>305,770</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	2	-
£70,001 to £80,000	<u>1</u>	<u>1</u>

6. EMPLOYEE INFORMATION

	2020 No.	2019 No.
Average monthly number of full time equivalent persons employed during the year	<u>33</u>	<u>32</u>
Average total number of employees employed during the year	<u>39</u>	<u>38</u>
Staff costs were:	£	£
Wages and salaries	960,497	959,087
National insurance costs	85,391	85,983
Pension costs	<u>83,312</u>	<u>73,004</u>
	<u>1,129,200</u>	<u>1,118,074</u>

CLYDEBANK HOUSING ASSOCIATION

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

7. GAIN ON SALE OF HOUSING STOCK

	2020	2019
	£	£
Sales proceeds	-	52,500
Cost of sales	-	1,111
	<u>-</u>	<u>1,111</u>
Gain on sale of housing stock	<u>-</u>	<u>51,389</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£	£
On bank loans and overdrafts	87,690	103,800
Less: Interest Capitalised on developments	-	6,677
	<u>87,690</u>	<u>97,123</u>

Interest capitalised was incurred at varying rates of interest.

9. SURPLUS FOR THE YEAR

	2020	2019
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	1,083,366	995,653
Auditors' remuneration - audit services	7,830	8,220
(Loss) / gain on sale of other non-current assets	64,226	(51,389)
	<u>1,155,422</u>	<u>1,052,484</u>

10. OTHER FINANCE INCOME / (CHARGES)

	2020	2019
	£	£
Net interest on pension obligations	(18,000)	(23,000)

CLYDEBANK HOUSING ASSOCIATION

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

11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Total £
COST				
At 1 April 2019	41,004,863	360,416	1,453,314	42,818,593
Additions	929,685	625,926	-	1,555,611
Disposals	(219,369)	-	-	(219,369)
Transfers	57,875	-	(57,875)	-
At 31 March 2020	<u>41,773,054</u>	<u>986,342</u>	<u>1,395,439</u>	<u>44,154,835</u>
DEPRECIATION				
At 1 April 2019	12,885,270	-	703,123	13,588,393
Charge for Year	952,910	-	27,908	980,818
Transfers	28,124	-	(28,124)	-
Disposals	(155,143)	-	-	(155,143)
At 31 March 2020	<u>13,711,161</u>	<u>-</u>	<u>702,907</u>	<u>14,414,068</u>
NET BOOK VALUE				
At 31 March 2020	<u>28,061,893</u>	<u>986,342</u>	<u>692,532</u>	<u>29,740,767</u>
At 31 March 2019	<u>28,119,593</u>	<u>360,416</u>	<u>750,191</u>	<u>29,230,200</u>

	2020		2019	
	<i>Component replacement</i> £	<i>Improvement</i> £	<i>Component replacement</i> £	<i>Improvement</i> £
Expenditure on Existing Properties				
Amounts capitalised	744,589	54,096	1,801,800	216,200
Amounts charged to the statement of comprehensive income	-	982,143	-	859,218
	<u>-</u>	<u>982,143</u>	<u>-</u>	<u>859,218</u>

All land and housing properties are heritable.

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

The Association's lenders have standard securities over housing property with a carrying value of £12,884,408 (2019 - £16,672,968)

CLYDEBANK HOUSING ASSOCIATION

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

11. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Electric Vehicles £	Computer Equipment £	Total £
COST					
At 1 April 2019	3,937,825	145,153	-	152,857	4,235,835
Additions	29,453	1,903	39,279	28,670	99,305
Eliminated on disposals	-	-	-	(31,113)	(31,113)
At 31 March 2020	<u>3,967,278</u>	<u>147,056</u>	<u>39,279</u>	<u>150,414</u>	<u>4,304,027</u>
DEPRECIATION					
At 1 April 2019	950,400	135,003	-	144,111	1,229,514
Charge for year	74,357	5,354	7,856	14,981	102,548
Eliminated on disposals	-	-	-	(31,113)	(31,113)
At 31 March 2020	<u>1,024,757</u>	<u>140,357</u>	<u>7,856</u>	<u>127,979</u>	<u>1,300,949</u>
NET BOOK VALUE					
At 31 March 2020	<u>2,942,521</u>	<u>6,699</u>	<u>31,423</u>	<u>22,435</u>	<u>3,003,078</u>
At 31 March 2019	<u>2,987,425</u>	<u>10,150</u>	<u>-</u>	<u>8,746</u>	<u>3,006,321</u>

13. FIXED ASSET INVESTMENTS

	2020 £	2019 £
Subsidiary undertakings	392,611	365,669
	<u>392,611</u>	<u>365,669</u>

Subsidiary Undertakings

Clydebank Housing Association has the following wholly owned subsidiary undertakings. The registered office of the subsidiary is 77-83 Kilbowie Road, Clydebank, G81 1BL.

	2020		2019	
	Reserves £	Profit / (Loss) £	Reserves £	Profit / (Loss) £
CHA Power Limited	392,611	26,943	365,669	7,299
Radnor Park Homes Limited	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

CLYDEBANK HOUSING ASSOCIATION

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

14. RECEIVABLES

	2020	2019
	£	£
Gross arrears of rent and service charges	174,179	156,922
Less: Provision for doubtful debts	<u>(135,887)</u>	<u>(118,924)</u>
<i>Net arrears of rent and service charges</i>	38,292	37,998
Social housing grant receivable	450,143	398,722
Other receivables	121,032	235,310
Amounts due from group undertakings	75	-
	<u>609,542</u>	<u>672,030</u>

15. CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash at bank and in hand	1,944,671	1,194,129
Balances held in deposit accounts	<u>6,263,632</u>	<u>6,201,784</u>
	<u>8,208,303</u>	<u>7,395,913</u>

16. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans	715,713	589,273
Trade payables	411,588	496,947
Rent received in advance	116,118	109,565
Other taxation and social security	23,161	21,900
Other payables	8,460	9,000
Accruals and deferred income	<u>432,007</u>	<u>315,779</u>
	<u>1,707,047</u>	<u>1,542,464</u>

At the balance sheet date there were pension contributions outstanding of £23,306 (£2019 - £21,469).

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

	2020	2019
	£	£
Bank loans	<u>3,605,720</u>	<u>3,779,116</u>

CLYDEBANK HOUSING ASSOCIATION

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

18. DEBT ANALYSIS - BORROWINGS

	2020	2019
	£	£
Bank Loans		
Amounts due within one year	715,713	589,273
Amounts due in one year or more but less than two years	296,968	368,476
Amounts due in two years or more but less than five years	901,757	824,476
Amounts due in more than five years	2,406,995	2,586,164
	<u>4,321,433</u>	<u>4,368,389</u>

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

Lender	Number of Properties Secured	Effective Interest Rate	Maturity (Year) Variable or Fixed
Clydesdale Bank	116	2.3%	2022 Fixed
Clydesdale Bank	115	LIBOR + 0.37%	2022 Variable
Clydesdale Bank	20	LIBOR + 1.75%	2034 Variable
Clydesdale Bank	20	LIBOR + 1.75%	2034 Variable
CAF Bank	121	LIBOR + 1.25%	2042 Variable
The Energy Savings Trust	-	0.0%	2029 Fixed
The Energy Savings Trust	-	0.0%	2025 Fixed
The Scottish Government	-	0.0%	2025 Fixed

All the Association's bank borrowings are repayable on a monthly basis with the principal being amortised over the term of the loans.

CLYDEBANK HOUSING ASSOCIATION

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

19. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

Clydebank Housing Association 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 employers. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

In 2019 the Pensions Trust, the administrator of the Scheme developed a method of determining the share of assets and liabilities for individual employers. This method was adopted by the Association in 2019 and resulted in an adjustment to the opening pension liability recognised in the statement of financial position of (£252055).

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

	2020	2019
	£	£
Fair value of plan assets	4,408,000	3,890,000
Present value of defined benefit obligation	4,354,000	4,756,000
	<u> </u>	<u> </u>
Surplus / (deficit) in plan	54,000	(866,000)
Unrecognised surplus	(54,000)	-
Defined benefit asset / (liability) to be recognised	<u> </u>	<u> </u>
	-	(866,000)
	<u> </u>	<u> </u>

Reconciliation of the impact of the asset ceiling

	Period from 31 March 2019 to 31 March 2020
	£
Impact of asset ceiling at start of th period	-
Effect of the asset ceiling including in net interest cost	-
Actuarial losses (gains) on asset ceiling	54,000
Impact of asset ceiling at end of period	<u>54,000</u>

CLYDEBANK HOUSING ASSOCIATION

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

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2020	2019
	£	£
Defined benefit obligation at the start of period	4,756,000	4,474,000
Expenses	4,000	4,000
Interest expense	111,000	116,000
Actuarial losses (gains) due to scheme experience	134,000	(147,000)
Actuarial losses (gains) due to changes in demographic assumptions	(26,000)	12,000
Actuarial losses (gains) due to changes in financial assumptions	(577,000)	344,000
Benefits paid and expenses	(48,000)	(47,000)
	<u>4,354,000</u>	<u>4,756,000</u>

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

	2020	2019
	£	£
Fair value of plan assets at start of period	3,890,000	3,678,000
Interest income	93,000	97,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	328,000	21,000
Contributions by the employer	145,000	141,000
Benefits paid and expenses	(48,000)	(47,000)
Fair value of plan assets at the end of period	<u>4,408,000</u>	<u>3,890,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £421,000

CLYDEBANK HOUSING ASSOCIATION

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

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2020 £	2019 £
Expenses	4,000	4,000
Net interest expense	18,000	19,000
	<u> </u>	<u> </u>
Defined benefit costs recognised in statement of comprehensive income	22,000	23,000
	<u> </u>	<u> </u>

Defined benefit costs recognised in the other comprehensive income

	2020 £	2019 £
Experience on plan assets (excluding amounts included in interest income) - gain/(loss)	328,000	21,000
Experience gains and losses arising on plan liabilities - gain/(loss)	(134,000)	147,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain/(loss)	26,000	(12,000)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain/(loss)	577,000	(344,000)
	<u> </u>	<u> </u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain/(loss)	797,000	(188,000)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in interest cost) - gain/(loss)	(54,000)	-
	<u> </u>	<u> </u>
Total amount recognised in other comprehensive income - gain (loss)	743,000	(188,000)
	<u> </u>	<u> </u>

CLYDEBANK HOUSING ASSOCIATION

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

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2020	2019	2018
	£	£	£
Absolute Return	271,000	329,000	436,000
Alternative Risk Premia	353,000	217,000	139,000
Corporate Bond Fund	322,000	273,000	257,000
Credit Relative Value	106,000	68,000	-
Distressed Opportunities	80,000	66,000	17,000
Emerging Markets Debt	157,000	125,000	126,000
Fund of Hedge Funds	-	11,000	106,000
Global Equity	606,000	626,000	661,000
Index Linked All Stock Gilts	1,161,000	1,384,000	-
Infrastructure	260,000	163,000	67,000
Insurance-Linked Securities	118,000	101,000	101,000
Liability Driven Investment	-	-	1,294,000
Long Lease Property	108,000	47,000	-
Net Current Assets	33,000	4,000	7,000
Over 15 Year Gilts	56,000	100,000	119,000
Private Debt	87,000	50,000	34,000
Property	82,000	77,000	145,000
Risk Sharing	140,000	113,000	34,000
Secured Income	245,000	136,000	135,000
Opportunistic Illiquid Credit	107,000	-	-
Liquid Credit	116,000	-	-
Total assets	4,408,000	3,890,000	3,678,000

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

Key Assumptions

	2020	2019	2018
Discount Rate	2.4%	2.4%	2.6%
Inflation (RPI)	2.6%	3.3%	3.1%
Inflation (CPI)	1.6%	2.3%	2.1%
Salary Growth	2.6%	3.3%	3.1%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance	75% of maximum allowance

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

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

CLYDEBANK HOUSING ASSOCIATION

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

20. DEFERRED INCOME

	Social Housing Grants £	Non Housing Grants £	Total £
Capital grants received			
At 1 April 2019	24,612,225	2,951,981	27,564,206
Additions in the year	672,832	-	672,832
Eliminated on disposal	(104,332)	-	(104,332)
At 31 March 2020	<u>25,180,725</u>	<u>2,951,981</u>	<u>28,132,706</u>
Amortisation			
At 1 April 2019	11,488,007	834,323	12,322,330
Amortisation in year	520,795	68,261	589,056
Eliminated on disposal	(69,598)	-	(69,598)
At 31 March 2020	<u>11,939,204</u>	<u>902,584</u>	<u>12,841,788</u>
Net book value			
At 31 March 2020	<u>13,241,521</u>	<u>2,049,397</u>	<u>15,290,918</u>
At 31 March 2019	<u>13,124,218</u>	<u>2,117,658</u>	<u>15,241,876</u>

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

	2020 £	2019 £
Amounts due within one year	628,820	536,735
Amounts due in more than one year	14,622,337	14,705,141
	<u>15,251,157</u>	<u>15,241,876</u>

21. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2020 £	2019 £
At 1 April	162	164
Issued in year	12	7
Cancelled in year	(28)	(9)
At 31 March	<u>146</u>	<u>162</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.

CLYDEBANK HOUSING ASSOCIATION

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

22. CASH FLOWS

Reconciliation of net cash flow to movement in net funds

	£	2020 £	£	2019 £
Increase / (decrease) in cash	812,390		(233,401)	
Cashflow from change in net debt	46,956		101,723	
Movement in net funds in the year		859,346		(131,678)
Net funds at 1 April		3,027,524		3,159,202
Net funds at 31 March		<u>3,886,870</u>		<u>3,027,524</u>

	At 01 April 2019 £	Cashflows £	Other Changes £	At 31 March 2020 £
Cash and cash equivalents	7,395,913	812,390	-	8,208,303
	<u>7,395,913</u>	<u>812,390</u>	<u>-</u>	<u>8,208,303</u>
Debt: Due within one year	(589,273)	46,956	(173,396)	(715,713)
Due after more than one year	(3,779,116)	-	173,396	(3,605,720)
Net funds	<u>3,027,524</u>	<u>859,346</u>	<u>-</u>	<u>3,886,870</u>

23. CAPITAL COMMITMENTS

	2020 £	2019 £
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	<u>6,434,836</u>	<u>-</u>

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

24. 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 77-83 Kilbowie Road, Clydebank, G81 1BL, .

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

CLYDEBANK HOUSING ASSOCIATION

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

25. MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £1,357 (2019 - £2,160) in the year by way of reimbursement of expenses. No remuneration is paid to Management Committee members in respect of their duties to the Association.

26. EXCEPTIONAL ITEM

	2020	2019
	£	£
Provision against investment	26,943	12,999

27. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2020	2019
	No.	No.
General needs	993	989
Shared ownership	40	42
General needs - Purchased by Association	135	135
	<u>1,168</u>	<u>1,166</u>

28. RELATED PARTY TRANSACTIONS

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

Those members who are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their positions to their advantage.

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

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

	2020	2019
	£	£
Rent received from tenants on the Management Committee and their close family members	8,766	14,604
Factoring charges received from factored owners on the Management Committee and their close family members	647	312

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £114 (2019 - £631).

At the year end total factoring arrears owed by owner occupiers on the Management Committee (and their close family) were £0 (2019 - £9).

Members of the Management Committee who are tenants	3	3
Members of the Management Committee who are owner occupiers	4	4
Members of the Management Committee who are local councillors	2	2

CLYDEBANK HOUSING ASSOCIATION

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

29. NON ADJUSTING POST BALANCE SHEET EVENT

At the time of approving the financial statements the United Kingdom is impacted by the Coronavirus pandemic. The Association are monitoring the position and updating its plans accordingly. Like most RSL's, however, the virus is likely to impact the Association's activities.