

COPPERWORKS HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Registered Housing Association Number: HAC 233
Charity Registration Number: SC045357
FCA Reference Number: 2379R (S)

COPPERWORKS HOUSING ASSOCIATION LIMITED

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**COPPERWORKS HOUSING ASSOCIATION LIMITED
THE MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

MEMBERS OF THE MANAGEMENT COMMITTEE

Maureen Flynn	(Chairperson)	
Alan Shute	(Vice Chair)	
Rosemary Gallagher	(Secretary)	
Geraldine McLaughlin	(Treasurer)	
Luis Paulino	(Committee Member)	
Stephen Penrice	(Committee Member)	
Peter Kane	(Committee Member)	
Catherine Collins	(Committee Member)	Resigned 31/05/2022
Florence Dioka	(Committee Member)	
Nick Brown	(Committee Member)	
Osman Lamin Sidique	(Committee Member)	
Jim Laing	(Deceased)	

EXECUTIVE OFFICERS

Margaret Brownlie	(Deputy Director)
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REGISTERED OFFICE

43 Tharsis Street
Roystonhill
Glasgow
G21 2JF

AUDITOR

French Duncan LLP
Chartered Accountants
Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB

BANKERS

Clydesdale Bank plc 30 St Vincent Place Glasgow G1 2HL	Nationwide Building Society Caledonia House, Carnegie Avenue Dunfermline KY11 8PJ
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SOLICITORS

TC Young 7 West George Street Glasgow G2 1BA	BTO Solicitors 48 St Vincent Street Glasgow G2 5HS
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COPPERWORKS HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2022

The Management Committee presents their report and the audited Financial Statements for the year ended 31 March 2022.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No. 2379R (s). The Association is governed under its Rule Book. The Association is a Registered Scottish Charity with the charity number SC045357.

Strategy and Objectives

The Association's mission is to provide locally based, high quality, affordable housing and services which will contribute to the well-being of the community we serve. The vision for Copperworks is to be the landlord of choice in our neighbourhood, working with our customers, community and local stakeholders to create an area where people choose and are happy to live. Great service and value for money are at our core and we strive relentlessly to balance both. The achievement of our mission, vision and strategic objectives is underpinned by our values of Excellence, Accountability and Partnership Working, which shape how we do business. During 2020/2021, we agreed a completely new 3-year Business Plan. As part of this process, we reviewed and updated our Strategic Objectives to state that we will;

- Maintain and enhance strong strategic governance
- Ensure that customers receive the highest possible standard of service at all times
- Provide quality homes in an attractive environment
- Seek to improve our financial strength and deliver value for money
- Develop our leadership and staff
- Continue our role as a community anchor by providing services and improving our commitment to grow and thrive

This comprehensive review of our strategy and objectives took account of tenant views and priorities and was prepared following a series of joint strategy events with our partners at Spire View Housing Association. As well as clarifying our purpose, potential and priorities, the new plan reaffirmed the strategic direction of the Association. A further review of the Business Plan was carried out in 2021/2022.

Review of Business

Our progress during the year was excellent and included;

- Completion of a comprehensive exercise in order to self-assess our compliance with the Scottish Housing Regulators 'Regulatory Standards of Governance and Financial Management'. An action plan was devised and followed through to completion to ensure continued compliance with the standards.
- Continued to progress the Roystonhill masterplan in conjunction with local partners to consider options for the development of the Millburn Centre and adjacent site.
- Fully revised and updated our 5-year investment plan.
- A comprehensive review of our 30-year projections, including sensitivity analysis. This is to ensure the Association continues to remain financially viable in the short, medium and long-term. The updated Business Plan incorporates all these changes.
- A comprehensive review of our Risk Management Strategy.
- A further review, through a workshop-based session, of all the risks facing the Association and systems in place for monitoring, reporting and mitigation.
- Continued our programme of independent internal audit.
- Carried out a full Tenant Satisfaction Survey with positive results overall.
- Undertook a further Stock Condition Survey to further develop a full and accurate picture of stock condition and performance.

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- A continuation of our Wider Role programme to include the provision of various services including; Money Advice, Financial Capability and Tenancy Support. We also secured significant funding, in partnership with other local agencies, from the Lottery and Scottish Government to provide a comprehensive COVID response across the local community.
- A thorough programme of appraisals and training for staff and management committee.
- Concluded a review of a joint staffing structure with Spire View Housing Association and commenced a review of a previous Option Appraisal in relation to the future partnership between Copperworks and Spire View.
- Continued membership and an active, leading role in the Royston Strategy Group which includes all RSL's, MP, Councillors, MSP, Rosemount Development Trust, GHA, Rosemount Lifelong Learning, Police, Fire Service, Royston Youth Action, North Glasgow Community Food Initiative and local schools.

Future Developments

Future developments as clearly defined within our Business Plan include;

Objective 1 – Maintain and enhance strong strategic governance.

In summary we will;

- **Strengthen our Committee** through an ongoing recruitment campaign to bolster both numbers and the range of skills on our Committee. This will also be an important part of succession planning to make sure the governing body is shaped for the future.
- **Continue to deliver a training programme to develop our Management Committee** to ensure that individually and collectively, they demonstrate high levels of effective governance over the organisation. This will include a comprehensive programme of induction and development for new Committee members. Where sensible, we will develop our approach to delivery along with other local RSLs to share costs and learning.
- **Continue to review our governance, finance, corporate and service policy suite.** All staff and tenants will be encouraged to actively participate in the development of key policies to ensure all policies and related procedures are up to date, reflect law and regulatory requirements and good practice and are embedded in our operations. Regular in-house training will be carried out on new policies and procedures as they are introduced for staff and committee.
- **Complete required actions on recent internal audits** and agree and **deliver our annual Internal Audit Programme** to test the resilience of key areas of our business against policy and best practice.
- **Conduct a Self-Assessment review** to continue to test our compliance with SHR Regulatory Standards of Governance and Financial Management.
- **Continue to review our approach to Risk Management** to ensure the continued active consideration of risk management in our strategic and operational activity. We will continue to run regular refresher training session and workshops on risk for Committee and staff team to understand our operating environment, key financial assumptions and to test our ability to respond if risks materialise.

Objective 2 – We will ensure that customers receive the highest possible standard of service at all times.

- We always seek to improve the performance that we currently achieve against the performance indicators of the Annual Return of the Charter (ARC). We are currently in low engagement with the Scottish Housing Regulator and our aim is to continue to be a well performing RSL. We aim to **achieve our Key Performance Targets in 2022/23** set out in **Appendix 3** of the Business Plan to drive this level of high performance, continuous improvement and excellent customer service.
- Our firm focus will always be on finding and delivering the right solutions, at the right time and in the right manner to suit the needs of individual customers.

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- Our tenants are at the heart of the service. We enjoy high levels of tenant satisfaction with our service; however, we cannot be complacent and will continue to conduct our **3 yearly Tenant Satisfaction Survey** which is next due during **2024/2025**. We will also continue to conduct our repairs service satisfaction surveys on a daily basis. This will allow us to review our strategic and operational plans and adjust them where appropriate to reflect tenant feedback.
- We will review our **Tenant Participation Strategy** at least every 3 years to reflect current sector best practice. The review is currently underway and will conclude early in 2022/23.
- In this computer age, we will continue to play our part in supporting digital engagement in the community. In 2022/23, we will continue to support digital engagement in the community by **reviewing and updating our Digital Engagement Statement** informed by our customer surveys and other data to help improve access and opportunity for tenants to do business with us and others online, as well as access jobs, training and to help build social networks via the internet. This will be delivered in part through the **Digital Programmes** running from Roystonhill Community Hub.

Objective 3 - Provide Quality Homes in an Attractive Environment

Effective management of our physical assets will always be a top strategic objective and part of our core business. In 2022/23, we will:

- Continue to build on the **Stock Condition Survey** information obtained in 2022, supplemented by operational knowledge to create a full and accurate picture of investment needs and stock performance.
- **Review and update our 30-year investment plan and Investment Strategy** so that we can identify any financial risks to the Association when preparing budgets.
- Increase our stock and the provision of additional homes where possible through **New Build Development**.
- Continue to **investigate and improve the environmental surroundings** within our area of operation.

Objective 4 – Seek to Improve our Financial Strength and Deliver Value for Money

Section 8 of the Business Plan sets out our financial position over the short, medium and long term. We have run a host of sensitivities to stress test our financial plans against the key risks that could affect us. The results indicate a business capable of withstanding challenges.

- We will maintain the solid financial base of the organisation now and in the future. We have updated our budgets and long-term financial assumptions to ensure they fully reflect our long-term stock investment needs and will ensure that we **manage our service in line with or better than budget assumptions**.
- We remain conscious that we want to keep our management costs as low as possible, yet ensure that we maintain and improve the standards of service to customers. We can do this by continuing to share services with Spire View Housing Association and other local RSLs/ partners. We will also **continue to explore the possibility of a Merger via Transfer of Engagements with Spire View** whilst seeking tenant views and considering the best way forward in the interest of tenants.
- Our Rent Policy demonstrates that we fully understand the need to consider affordability and comparability of rent charges whilst supporting the financial well-being of the Association and our investment requirements. Following a **comprehensive review of our rent charges** we applied a 4.2% increase on our rents for 2022/23 to reflect our current and future costs and to ensure we continue to meet all tenant and business requirements.

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FOR THE YEAR ENDED 31 MARCH 2022

Objective 5 - Develop our Leadership and Staff

We recognise the vital importance of strong and visionary leadership from the Committee and senior team to develop our staff to be the best they can be.

In 2022/23, we will help achieve this by:-

- **Conducting annual Committee and staff performance evaluations** to ensure all parties understand the vision, values, strategic direction and delivery commitments of the organisation and their part in achieving same.
- From this, we will **create learning and development plans** to ensure Committee and staff members are trained and developed to deliver on expectations and to reach their full potential.
- We will ensure **new members undergo comprehensive induction and future development and training**.
- We will ensure **Succession Planning** is discussed at regular intervals for both staff and committee.

Objective 6 – Continue our Role as a Community Anchor by providing services and improving our communities to grow and thrive.

In 2022/23 we will help achieve this by:

- Safeguarding our culture of innovation, customer/business and excellence
- Partnering on delivery of the **Digital Services** with Spire View Housing Association to enable the local community to get online, improve digital skills and confidence, access economic benefits and improve employability.
- In partnership with Blochairn Housing Association and Rosemount Development Trust, continue to **progress the potential development of the Millburn Centre and surrounding / adjacent sites**, and decide on the next steps.
- Continuing to support **wider role activities** which benefit the local community through our partnerships with numerous local agencies including Royston Youth Action, Rosemount Lifelong Learning, Rosemount Development Trust, North Glasgow Community Food Initiative, North Glasgow Healthy Living Community, GEMAP and the Simon Community.

Principal Risks and Uncertainties Faced

The comprehensive review during 2021/22 identified and analysed several risks facing the Association including those relating to;

- COVID-19
- Welfare reform
- Potential IT Systems Failures
- Tenant Expectations
- EESSH2 Compliance
- Interest Rates
- Changing Regulatory Landscape
- Rent Levels
- Effective Governance and;
- New Build Development

Using a robust scoring matrix, the Association considered the level of risk presented to the organisation and the control measures required in order to mitigate the risk. The residual risk level was then calculated, an action plan

COPPERWORKS HOUSING ASSOCIATION LIMITED REPORT FROM THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2022

developed and risk 'owner' identified. The risk register is overseen by the Management Committee quarterly through business planning and reporting.

As indicated above, the effect of the global pandemic continues to present uncertainty and risks for the Association. These risks are around governance, finance, service delivery, legislation, vulnerable tenants, home working, cyber security, financial institutions, recovery and recurrence. Each of these risks has been fully assessed by the Association, included in the Risk Register and appropriate mitigation and control measures implemented, along with intensive monitoring. The impact of this global pandemic has been wide ranging and has required the association to adapt accordingly to new ways of working and new means of service delivery.

Whilst the impact of Brexit was somewhat overshadowed by the impact of COVID-19, there is evidence to suggest that the UK's departure from the EU has affected some areas of our work. In particular, the availability of certain materials has proven more difficult and this in turn is driving up costs and extending completion times. This is apparent from both our planned and day to day works.

Overall, the full economic impact of the COVID-19 pandemic, Brexit as well as other worldwide events is gradually becoming apparent. Rising interest rates and fuel costs along with high inflation and the recent national insurance increase will undoubtedly result in financial difficulties across the country. The extent to which this will impact directly on the association is not yet entirely clear and we will continue to monitor this very closely and put in place any necessary control measures.

Financial / Non-Financial KPI's

Performance Indicators and Targets were reviewed during the business planning process. These aim to maintain and further improve our positive performance across a number of key areas including arrears, voids, complaints, tenant satisfaction, repairs, gas safety, SHQS, EESSH, anti-social behaviour and staff absence.

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. Further details are given in accounting policies note 1 to the accounts.

Governance

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

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

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

Statement of Management Committee's responsibilities

The Co-operative and Community Benefit Societies Act 2014 require The Management Committee 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 year. In preparing those Financial Statements, the Management Committee is required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;

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FOR THE YEAR ENDED 31 MARCH 2022

- 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;
- 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. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

The Management Committee must in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Management Committee are aware:

- There is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Association's auditor is unaware, and
- The Management Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's auditor is aware of that information.

Auditor

A resolution to re-appoint the auditor, French Duncan LLP, Chartered Accountants, will be proposed at the Annual General Meeting.

Donations

During the year, the Association made charitable donations amounting to £700 (2021 - £700).

By order of the Management Committee

Signature



Rosemary Gallagher,
Secretary

Date: 20th September 2022

COPPERWORKS HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2022

Statement on Internal Financial Control

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

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

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

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

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year end 31 March 2022. 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.

By order of the Management Committee

Signature



Rosemary Gallagher,
Secretary

Date: 20th September 2022

COPPERWORKS HOUSING ASSOCIATION LIMITED
REPORT BY THE AUDITOR TO THE MEMBERS OF COPPERWORKS HOUSING ASSOCIATION LIMITED
ON CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH 2022

In addition to our audit of the Financial Statements, we have reviewed your statement on page 8 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 8 has provided the disclosures required by the relevant Regulatory Standards within 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.



French Duncan LLP
Chartered Accountants and Statutory Auditor
133 Finnieston Street
GLASGOW
G3 8HB

Date: 22 September 2022.

COPPERWORKS HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COPPERWORKS HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2022

OPINION

We have audited the financial statements of Copperworks Housing Association Limited for the year ended 31 March 2022 which comprise a statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in capital and reserves 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 FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Financial Statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2022 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 properly 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 December 2019.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The other information comprises the information contained in the Report from the Management Committee. The Management Committee members are responsible for the other information.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COPPERWORKS HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2022

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 requires us to report to you, if in our opinion:

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

RESPONSIBILITIES OF COMMITTEE MEMBERS

As explained more fully in the management committee's responsibilities statement set out on pages 6 and 7, the committee members 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 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 management committee are responsible for assessing the housing 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 members either intend to liquidate the housing 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide the basis for our opinion. The risk of not detecting a material

COPPERWORKS HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COPPERWORKS HOUSING ASSOCIATION
LIMITED FOR THE YEAR ENDED 31 MARCH 2022

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the housing association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.
- Conclude on the appropriateness of the committee members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the housing association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

- the responsible individual ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the association through discussions with management and management committee members and from our sector knowledge;
- we focused on specific laws and regulations, including those specified by the Scottish Housing Regulator, which we considered may have a direct material effect on the financial statements or the operations of the association, including the Co-operative and Community Benefit Societies Act 2014, Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Statement of Recommended Practice for Social Housing Providers 2018 and Determination of Housing Requirements 2019, and data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

COPPERWORKS HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COPPERWORKS HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2022

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

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

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing internal audit reports prepared during the year;
- enquiring of management and management committee members as to actual and potential litigation and claims; and
- reviewing correspondence with Scottish Housing Regulator.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.


Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the management committee and other management and the inspection of regulatory and legal correspondence, if any.

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

COPPERWORKS HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COPPERWORKS HOUSING ASSOCIATION
LIMITED FOR THE YEAR ENDED 31 MARCH 2022

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 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.



French Duncan LLP
Chartered Accountants and Statutory Auditor
133 Finnieston Street
GLASGOW
G3 8HB

Date: 22 September 2022.

COPPERWORKS HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
REVENUE	2	1,274,883	1,172,483
Operating costs	2	<u>(1,203,584)</u>	<u>(1,092,364)</u>
OPERATING SURPLUS	2, 9	71,299	80,119
Loss on disposal of component replacements	7	(11,886)	(1,190)
Interest receivable and other similar income		717	1,927
Interest payable and other similar charges	8	(5,041)	(5,654)
Other Finance Charges	11	<u>(6,000)</u>	<u>(3,000)</u>
		<u>(22,210)</u>	<u>(7,917)</u>
SURPLUS FOR THE YEAR		49,089	72,202
OTHER COMPREHENSIVE INCOME			
Actuarial gain/(loss) in respect of pension scheme	23	111,000	(197,000)
TOTAL COMPREHENSIVE INCOME		<u>160,089</u>	<u>(124,798)</u>

The results for the year relate wholly to continuing activities.

The notes on pages 19 to 39 form part of these financial statements.

COPPERWORKS HOUSING ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Notes	2022 £	2021 £
NON-CURRENT ASSETS			
Housing properties - depreciated cost	12(a)	6,749,652	5,776,618
Other tangible fixed assets	12(b)	<u>477</u>	<u>1</u>
		6,750,129	5,776,619
CURRENT ASSETS			
Debtors	13	151,561	181,171
Cash at bank and in hand		<u>895,579</u>	<u>1,895,981</u>
		1,047,140	2,077,152
CREDITORS: amounts falling due within one year	14	<u>(323,928)</u>	<u>(325,506)</u>
NET CURRENT ASSETS		<u>723,212</u>	<u>1,751,646</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,473,341	7,528,265
CREDITORS: amounts falling due after more than one year			
housing property loans	15	(699,835)	(758,094)
PROVISIONS FOR LIABILITIES			
Pension - defined benefit liability	23	(48,000)	(204,000)
DEFERRED INCOME			
Social Housing Grants	18	(70,631)	(71,383)
Other Grants	18	<u>(825,751)</u>	<u>(825,751)</u>
		<u>5,829,124</u>	<u>5,669,037</u>
EQUITY			
Share capital	19	109	111
Revenue reserve	19	<u>5,829,015</u>	<u>5,668,926</u>
		<u>5,829,124</u>	<u>5,669,037</u>

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 20th September 2022.

[Redacted Signature]

Maureen Flynn
Chairperson

[Redacted Signature]

Alan Shute
Vice Chairperson

[Redacted Signature]

Rosemary Gallagher
Secretary

The notes on pages 19 to 39 form part of these financial statements

COPPERWORKS HOUSING ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	16	<u>208,758</u>	<u>237,804</u>
INVESTING ACTIVITIES			
Acquisition and construction of housing properties	12	(1,146,878)	(17,340)
Purchase of other fixed assets		(714)	-
Capital grant received	18	<u>-</u>	<u>9,595</u>
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		<u>(1,147,592)</u>	<u>(7,745)</u>
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(938,834)	230,059
FINANCING ACTIVITIES			
Issue of ordinary share capital	19	8	5
Interest received		717	1,927
Interest paid		(5,041)	(5,654)
Loan principal repayments		<u>(57,252)</u>	<u>(56,791)</u>
NET CASH (OUTFLOW) FROM FINANCING		<u>(61,568)</u>	<u>(60,513)</u>
(DECREASE)/INCREASE IN CASH		(1,000,402)	169,546
OPENING CASH AND CASH EQUIVALENTS		1,895,981	1,726,435
CLOSING CASH AND CASH EQUIVALENTS		<u><u>895,579</u></u>	<u><u>1,895,981</u></u>

COPPERWORKS HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2022

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1 April 2021	111	5,668,926	5,669,037
Issue of Shares	8	-	8
Cancelled shares	(10)	-	(10)
Surplus for Year	-	49,089	49,089
Other Comprehensive Income	-	111,000	111,000
Balance as at 31 March 2022	<u>109</u>	<u>5,829,015</u>	<u>5,829,124</u>

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1 April 2020	118	5,793,724	5,793,842
Issue of Shares	5	-	5
Cancelled shares	(12)	-	(12)
Surplus for Year	-	72,202	72,202
Other Comprehensive Income	-	(197,000)	(197,000)
Balance as at 31 March 2021	<u>111</u>	<u>5,668,926</u>	<u>5,669,037</u>

COPPERWORKS HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Legal status

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered by the Financial Conduct Authority. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

Basis of Accounting

These financial statements have been 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 and comply with the requirements of the Determination of Housing Requirements 2019 as issued by the Scottish Housing Regulator.

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

The following principal accounting policies have been applied:

Going Concern

The financial statements have been prepared on a going concern basis after consideration of the future prospects of the Association, its long term financial forecasts and the certainty of cash flow from rental of social housing stock. The Association has taken into account the current economic situation in its consideration and updated budgets and forecasts accordingly and is satisfied that the Association has adequate resources on an ongoing basis. The Association has adequate resources to meet its liabilities as they fall due and for at least 12 months from when these accounts are approved.

Revenue

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

Retirement Benefits

The Association participates in the Scottish Housing Association Defined Benefits Pension Scheme and 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 Associations taken as a whole.

The Association accounts for the pension scheme on a defined benefit basis based on its share of scheme assets and liabilities as determined by the actuary. Defined benefit costs are recognised in the Statement of Comprehensive Income within operating costs. Actuarial gains and losses are recognised in Other Comprehensive Income.

Further details of the scheme and its assumptions are included at note 23.

COPPERWORKS HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

The Association closed the defined benefit scheme at 31 March 2016 and transferred staff over to the SHAPS defined contribution scheme.

Housing Properties

Housing Properties are stated at cost less accumulated depreciation and impairment. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 12. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount. Any shortfall in the depreciation provided on components is treated as a loss in the year of disposal. In 2021/22, the Association updated its useful life for kitchens and boilers from 15 year to 18 years to align this with our Stock Condition Survey for major components.

Component	Useful Economic Life
Land	Not depreciated
Building	100 years
Roof	50 years
Electrical Systems	30 years
Windows	30 years
Radiators	30 years
Boilers	18 years
Bathrooms	22 years
Kitchens	18 years

Depreciation and Impairment of Other Non-Current Assets

Non-Current Assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:-

Furniture and Fittings	20% Reducing balance
Computer Equipment	33% Straight line

The carrying value of non-current assets is reviewed for impairment at the end of each reporting year.

Social Housing Grant and Other Grants in Advance/Arrears

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 it relates.

Social Housing Grant attributed to individual components is written off to the Income and Expenditure Account when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account in the same year as the expenditure to which it relates.

COPPERWORKS HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

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

Sales of Housing Properties

First tranche Shared Ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the Statement of Recommended Practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the Statement of Comprehensive Income.

Disposals of housing property under the Right to Buy scheme are treated as a non-current asset disposals and any gain and loss on disposal accounted for 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.

Estimation Uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Committee to exercise judgement in applying the Association'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, is disclosed below:

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.

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.

Useful Lives of Other Fixed Assets

The useful lives of other fixed Assets are based on the knowledge of senior management at the Association with reference to expected asset life cycles.

Pension Liabilities

This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate. Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependent on circumstances at the date of valuation.

Costs of Shared Ownership

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

COPPERWORKS HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases/Leased Assets

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.

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.

Key Judgements made in the application of Accounting Policies

a) The 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 Association considers its cash-generating units to be 270 in which it manages its housing property for asset management purposes.

c) Pension Liability

In May 2022 the Association received details from the Pension Trust of its share of assets, liabilities and scheme deficit. The Association has used this information as the basis of the pension defined benefit liability as disclosed in the accounts. The Management Committee consider that this is the best estimate of their scheme liability.

d) Financial Instruments – Basic

The Association only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like rents, accounts receivable and payable, loans from banks and related parties.

These are recognised 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.

COPPERWORKS HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

2. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS

		2022		2021	
	Note	Revenue £	Operating Costs £	Operating surplus / (deficit) £	Revenue £
Social letting activities	3	1,095,608	(923,696)	171,912	1,036,796
Other activities	4	179,275	(279,888)	(100,613)	135,687
Total		<u>1,274,883</u>	<u>(1,203,584)</u>	<u>71,299</u>	<u>1,172,483</u>
					<u>(232,426)</u>
					<u>(1,092,364)</u>
					<u>176,858</u>
					<u>(96,739)</u>
					<u>80,119</u>

COPPERWORKS HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL LETTING

	General Needs Housing £	Shared Ownership Housing £	2022 Total £	2021 Total £
Revenue from lettings				
Rent receivable net of identifiable service charges	1,097,433	-	1,097,433	1,039,577
Service charges receivable		-	-	
Gross rents receivable	<u>1,097,433</u>	<u>-</u>	<u>1,097,433</u>	<u>1,039,577</u>
Less rent losses from voids	(2,577)	-	(2,577)	(3,533)
Net rents receivable	<u>1,094,856</u>	<u>-</u>	<u>1,094,856</u>	<u>1,036,044</u>
 Amortisation of Social Housing & Other Grants	752	-	752	752
Revenue grants from local authorities and other agencies	-	-	-	-
Total income from social letting	<u>1,095,608</u>	<u>-</u>	<u>1,095,608</u>	<u>1,036,796</u>
 Expenditure on social letting activities				
Management and maintenance administration costs	432,052	-	432,052	385,155
Planned and cyclical maintenance including major repairs	129,707	-	129,707	134,745
Reactive maintenance	199,048	-	199,048	176,542
Bad debts - rents and service charges	931	-	931	1,476
Depreciation of social housing	161,958	-	161,958	162,020
Operating costs of social letting	<u>923,696</u>	<u>-</u>	<u>923,696</u>	<u>859,938</u>
 Operating surplus on social letting activities	<u>171,912</u>	<u>-</u>	<u>171,912</u>	<u>176,858</u>
 2021	<u>176,858</u>	<u>-</u>	<u>176,858</u>	

COPPERWORKS HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

4. PARTICULARS OF INCOME AND EXPENDITURE FROM OTHER ACTIVITIES

	Other Revenue Grants £	Supporting People Income £	Other Income £	Total Turnover £	Operating costs bad debts £	Operating costs other £	Operating surplus/ (deficit) 2022 £	Operating surplus/ (deficit) 2021 £
Factoring	-	-	22,244	22,244	-	(10,838)	11,406	-
Medical Adaptations	14,851	-	-	14,851	-	(12,850)	2,001	836
Wider Action	36,189	-	-	36,189	-	(64,094)	(27,905)	(12,425)
Contracted out services	87,921	-	-	87,921	-	(192,106)	(104,185)	(85,162)
Other Income	-	-	18,070	18,070	-	-	18,070	12
TOTAL FROM OTHER ACTIVITIES	138,961	-	40,314	179,275	-	(279,888)	(100,613)	(96,739)
TOTAL FROM OTHER ACTIVITIES FOR 2021	54,111	-	81,576	135,687	-	(232,426)	(96,739)	

COPPERWORKS HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

5. BOARD MEMBERS AND OFFICERS EMOLUMENTS

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.

No emoluments have been paid to any member of the management committee.

No officers of the Association received emoluments greater than £60,000

	2022	2021
	£	£
Total Emoluments paid to key management personnel	<u>71,403</u>	<u>65,176</u>

There were payments to committee members during the year for reimbursement of expenses of £25 (2021 - £183).

6. EMPLOYEE INFORMATION

	2022	2021
	£	£
Staff costs during the year:		
Wages and salaries	192,693	193,153
Social security costs	19,306	19,652
Other pension costs	<u>27,206</u>	<u>16,578</u>
	<u>239,205</u>	<u>229,383</u>

	Number	Number
The average number of full time equivalent persons employed during the year was	<u>6</u>	<u>6</u>

7. (LOSS) ON DISPOSAL

	2022	2021
	£	£
Sales proceeds	-	-
Cost of sales	(11,886)	(1,190)
Loss on sale	<u>(11,886)</u>	<u>(1,190)</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021
	£	£
Bank loans	<u>5,041</u>	<u>5,654</u>

COPPERWORKS HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

9. OPERATING SURPLUS FOR THE YEAR

	2022	2021
	£	£
Surplus is stated after charging / (crediting):		
Depreciation of tangible owned fixed assets	162,196	162,020
Auditors' remuneration - audit services	8,000	8,000
- other services	11,730	4,500
Operating lease rentals - land and buildings	12,000	12,000
- other	-	2,556
Amortisation of capital grants	<u>(752)</u>	<u>(752)</u>

10. TAX ON SURPLUS/(LOSS) ON ORDINARY ACTIVITIES

The Association is a Registered Scottish Charity and is exempt from Corporation Tax on its charitable activities.

11. OTHER FINANCE INCOME/CHARGES

	2022	2021
	£	£
Net interest and other expenses on defined benefit scheme	<u>6,000</u>	<u>3,000</u>

COPPERWORKS HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

12. NON-CURRENT ASSETS

a) Housing Properties	Housing Properties Held for Letting	Land remediation works	Total
	£	£	£
COST			
At start of year	6,067,262	825,751	6,893,013
Additions	1,138,699	8,179	1,146,878
Disposals	(88,722)	-	(88,722)
At end of year	<u>7,117,239</u>	<u>833,930</u>	<u>7,951,169</u>
DEPRECIATION			
At start of year	1,116,395	-	1,116,395
Charged during year	161,958	-	161,958
Eliminated on disposal	(76,836)	-	(76,836)
At end of year	<u>1,201,517</u>	<u>-</u>	<u>1,201,517</u>
NET BOOK VALUE			
At end of year	<u>5,915,722</u>	<u>833,930</u>	<u>6,749,652</u>
At start of year	<u>4,950,867</u>	<u>825,751</u>	<u>5,776,618</u>

There were no impairment charges in the year.

There were no capitalised development administration costs in the year.

New components capitalised during the year amounted to £1,138,699 (2021 - £7,745)

The Association's lenders have standard securities over housing property with a carrying value of £5,915,722 (2021 - £4,950,867).

COPPERWORKS HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

b) Other tangible assets	Computer Equipment £	Furniture & Fittings £	Total £
COST			
At start of year	23,830	53,557	77,387
Additions	714	-	714
Disposals	-	-	-
At end of year	<u>24,544</u>	<u>53,557</u>	<u>78,101</u>
DEPRECIATION			
At start of year	23,829	53,557	77,386
Charged during year	238	-	238
Disposals	-	-	-
At end of year	<u>24,067</u>	<u>53,557</u>	<u>77,624</u>
NET BOOK VALUE			
At end of year	<u>477</u>	<u>-</u>	<u>477</u>
At start of year	<u>1</u>	<u>-</u>	<u>1</u>

13. DEBTORS

	2022 £	2021 £
Arrears of Rent & Service Charges	42,455	20,605
Less: Provision for Doubtful Debts	<u>(1,494)</u>	<u>(1,652)</u>
	40,961	18,953
Other Debtors	74,226	129,919
Prepayments and accrued income	<u>36,374</u>	<u>32,299</u>
	<u>151,561</u>	<u>181,171</u>

COPPERWORKS HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

14. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Housing Loans	61,648	60,641
Trade Payables	46,860	38,824
Rent in Advance	57,644	43,120
Other Taxation and Social Security	65,486	40,807
Other Payables	78,991	107,876
Accruals and Deferred Income	13,299	34,238
	<u>323,928</u>	<u>325,506</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2022	2021
	£	£
Housing loans	<u>699,835</u>	<u>758,094</u>

The Association has a number of long term housing loans, the terms and conditions of which are as follows:

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

Loans are secured by specific charges on the Association's properties and are operating on a variable rate of interest. The facility is linked to SONIA and with a margin of 0.45%

The Bank loans are repayable as follows:

	2022	2021
	£	£
Between one and two years	62,391	61,373
Between two and five years	191,728	188,599
In five years or more	445,716	508,122
	<u>699,835</u>	<u>758,094</u>

COPPERWORKS HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

16. CASHFLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Operating Surplus	71,299	80,119
Depreciation	162,196	162,020
Amortisation of Capital Grants	(752)	(752)
Change in debtors	29,610	(44,397)
Change in creditors	(2,585)	90,826
Past service pension deficit contributions	(51,000)	(50,000)
Cancelled Shares	(10)	(12)
Cashflow from operating activities	<u>208,758</u>	<u>237,804</u>

17. ANALYSIS OF NET DEBT

Reconciliation of net debt as at 31 March 2022

	As at 1 April 2021	Cash flows	Non cash movement	As at 31 March 2022
	£	£	£	£
Cash at bank	1,895,981	(1,000,402)		895,579
Bank loans due within one year	(60,641)	57,252	(58,259)	(61,648)
Bank loans due outwith one year	(758,094)		58,259	(699,835)
Net debt	<u>1,077,246</u>	<u>(943,150)</u>	<u>-</u>	<u>134,096</u>

COPPERWORKS HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS

18. DEFERRED INCOME

	2022	2021
	£	£
Social Housing Grants		
Balance as at 1 April 2021	71,383	72,135
Additions in year	-	-
Amortisation in Year	(752)	(752)
Balance as at 31 March 2022	<u>70,631</u>	<u>71,383</u>
Restricted Grants		
Balance as at 1 April 2021	825,751	816,156
Additions in year	-	9,595
Amortisation in Year	-	-
Balance as at 31 March 2022	<u>825,751</u>	<u>825,751</u>
Total deferred grants	<u>896,382</u>	<u>897,134</u>

This is expected to be released to the Statement of Comprehensive Income as

Amounts due within one year	752	752
Amounts due in one year or more	<u>69,879</u>	<u>71,383</u>
	<u>70,631</u>	<u>72,135</u>

19. SHARE CAPITAL & RESERVES

	2022	2021
	£	£
Shares of £1 each Issued and Fully Paid		
At 1 April 2021	111	118
Issued in year	8	5
Cancelled in year	(10)	(12)
At 31 March 2022	<u>109</u>	<u>111</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends 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.

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19. SHARE CAPITAL & RESERVES (continued)

Reserves	2022	2021
	£	£
At 1 April 2021	5,668,926	5,793,724
Surplus for year	49,089	72,202
Other comprehensive income	<u>111,000</u>	<u>(197,000)</u>
At 31 March 2022	<u><u>5,829,015</u></u>	<u><u>5,668,926</u></u>

20. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2022	2021
	No.	No.
General Needs - New Build	<u><u>270</u></u>	<u><u>270</u></u>

21. RELATED PARTY TRANSACTIONS

Members of the Management Committee and their close family are related parties of the Association as defined by Financial Reporting Standard 102. The related party relationships of the members of the Management Committee are summarised as:

- Members are tenants of the Association
- Members are factored owners
- Management Committee members cannot use their position 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:

- Rent due from Tenants and family members of the Committee – £27,444
- Factoring income due from Owner Occupiers in the Committee - £587
- At the year-end total rent arrears owed by the tenant members of the Committee were – £198
- At the year-end total arrears owed by Owner Occupiers of the Committee were - £270

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22. DETAILS OF ASSOCIATION

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

The Association's principal place of business is 43 Tharsis Street, Roystonhill, Glasgow, G51 4RB.

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

23. RETIREMENT BENEFIT OBLIGATIONS

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m. A Recovery Plan has been put in place to eliminate the deficit which will run to either 30 September 2022 or 31 March 2023 (depending on funding levels) for the majority of employers, although certain employers have different arrangements.

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

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

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

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023.

The liabilities are compared, at the relevant accounting date, with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

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23. RETIREMENT BENEFIT OBLIGATIONS (continued)

Pension Scheme Liability movements:

	2022	2021
	£	£
As at 1 April 2021	204,000	54,000
Expenses	2,000	2,000
Net Interest expense	4,000	1,000
Deficit Contributions Paid	(51,000)	(50,000)
Impact of change in assumptions	(111,000)	197,000
As at 31 March 2022	<u>48,000</u>	<u>204,000</u>

**PRESENT VALUES OF DEFINED BENEFIT OBLIGATION,
FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)**

	31 March 2022	31 March 2021
	(£000s)	(£000s)
Fair value of plan assets	1,650	1,576
Present value of defined benefit obligation	1,698	1,780
Surplus (deficit) in plan	(48)	(204)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(48)	(204)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2022	Period ended 31 March 2021
	(£000s)	(£000s)
Defined benefit obligation at start of period	1,780	1,559
Current service cost	-	-
Expenses	2	2
Interest expense	37	37
Member contributions	-	-
Actuarial losses (gains) due to scheme experience	85	(54)
Actuarial losses (gains) due to changes in demographic assumptions	5	-
Actuarial losses (gains) due to changes in financial assumptions	(125)	298
Benefits paid and expenses	(86)	(62)
Defined benefit obligation at end of period	1,698	1,780

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23. RETIREMENT BENEFIT OBLIGATIONS (continued)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period ended 31 March 2022 (£000s)	Period ended 31 March 2021 (£000s)
Fair value of plan assets at start of period	1,576	1,505
Interest income	33	36
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	76	47
Contributions by the employer	51	50
Contributions by plan participants	-	-
Benefits paid and expenses	(86)	(62)
Fair value of plan assets at end of period	1,650	1,576

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was £109,000.

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCI)

	Period ended 31 March 2022 (£000s)	Period ended 31 March 2021 (£000s)
Current service cost	-	-
Expenses	2	2
Net interest expense	4	1
Defined benefit costs recognised in statement of comprehensive income (SoCI)	6	3

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23. RETIREMENT BENEFIT OBLIGATIONS (continued)

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2022 (£000s)	Period ended 31 March 2021 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	76	47
Experience gains and losses arising on the plan liabilities - gain (loss)	(85)	54
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(5)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	125	(298)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	111	(197)
Total amount recognised in other comprehensive income - gain (loss)	111	(197)

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23. RETIREMENT BENEFIT OBLIGATIONS (continued)

ASSETS

	Period ended 31 March 2022 (£000s)	Period ended 31 March 2021 (£000s)
Global Equity	326	244
Absolute Return	76	78
Distressed Opportunities	59	54
Credit Relative Value	53	45
Alternative Risk Premia	68	63
Emerging Markets Debt	61	63
Risk Sharing	54	56
Insurance-Linked Securities	35	33
Property	43	28
Infrastructure	103	88
Private Debt	41	37
Opportunistic Illiquid Credit	55	40
High Yield	16	41
Opportunistic Credit	6	43
Cash	5	1
Corporate Bond Fund	104	119
Liquid Credit	11	27
Long Lease Property	47	37
Secured Income	88	87
Over 15 Year Gilts	1	1
Liability Driven Investment	399	379
Currency Hedging	(6)	-
Net Current Assets	5	12
Total assets	1,650	1,576

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

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23. RETIREMENT BENEFIT OBLIGATIONS (continued)

KEY ASSUMPTIONS

	31 March 2022	31 March 2021
	% per annum	% per annum
Discount Rate	2.79%	2.14%
Inflation (RPI)	3.66%	3.30%
Inflation (CPI)	3.23%	2.85%
Salary Growth	4.23%	3.85%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.6
Female retiring in 2022	23.9
Male retiring in 2042	22.9
Female retiring in 2042	25.4

24. CAPITAL COMMITMENTS

	2022	2021
	£	£
Expenditure contracted but not provided for in accounts	<u>138,149</u>	<u>-</u>
Funded by:		
Reserves	<u>138,149</u>	<u>-</u>
	<u>138,149</u>	<u>-</u>

25. CONTINGENT LIABILITY

At 30 September 2021 the estimated debt on withdrawal from the Scottish Housing Associations' Pension Scheme was £731,319.

