

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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 2020**

**MEMBERS OF THE MANAGEMENT COMMITTEE**

Jim Laing	(Chairperson)	
Maureen Flynn	(Vice Chair)	
Rosemary Gallagher	(Secretary)	
Geraldine McLaughlin	(Treasurer)	
Rose McLaughlin	(Committee Member)	(Resigned 25/08/20)
Luis Paulino	(Committee Member)	
Stephen Penrice	(Committee Member)	
Peter Kane	(Committee Member)	
Catherine Collins	(Committee Member)	
Florence Dioka	(Committee Member)	
Nick Brown	(Committee Member)	
Alan Shute	(Committee Member)	(Co-opted 28/05/19)
Vince Mullen	(Committee Member)	(Retired 17/09/19)

**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  
Head Office  
30 St Vincent Street  
Glasgow  
G1 2EU

**SOLICITORS**

TC Young	BTO Solicitors
7 West George Street	40 St Vincent Street
Glasgow	Glasgow
G2 1BA	G2 5HS

# **COPPERWORKS HOUSING ASSOCIATION LIMITED**

## **REPORT FROM THE MANAGEMENT COMMITTEE**

### **FOR THE YEAR ENDED 31 MARCH 2020**

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

#### **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.

#### **Principal Activities**

The principal activity of the Association is the provision and management of affordable rented accommodation.

#### **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.
- Completion of remediation works at the Millburn Triangle Site (The Park on the Hill) to create a usable green space in full consultation with the local community. This resulted in the transformation of a large area of vacant and derelict land which had been a blight on the local community for many years.
- Continued to progress the Roystonhill masterplan in conjunction with local partners to consider options for the development of the Millburn Centre and adjacent site.
- Developed a comprehensive Asset Management Strategy, along with a fully revised and updated 5 year investment plan.
- Running a successful Management Committee recruitment campaign and attracting new members and co-optees with a wide range of relevant skills, thus further strengthening our Governance arrangements.
- 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 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.
- Commenced a comprehensive review of our Tenant Participation Strategy.
- 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 Wider Role funding to support North Glasgow Community Food Initiative and the activities they deliver in the local community.
- A thorough programme of appraisals and training for staff and management committee.
- Continued a comprehensive review of our staff service sharing arrangements with Spire View Housing Association, including information / discussion sessions with Management Committee members and consultation with staff.
- 2 community events including a formal opening of the Park on the Hill and a Community Fun Day.
- 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.

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**Future Developments**

Future developments as clearly defined within our new 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 2020/21 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.
- 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 2021/2022. We will also continue to conduct our repairs service satisfaction surveys on a

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**REPORT FROM THE MANAGEMENT COMMITTEE**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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 2020/21.
- In this computer age, we will continue to play our part in supporting digital engagement in the community. In 2020/21, we will continue to support digital engagement in the community 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 Aspire Digital Space programme running from Roystonhill Community Hub until March 2021.

**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 2020/21, we will:

- Continue to build on the Stock Condition Survey information obtained in 2019, 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.
- Continue to review our approach to Estate Management to ensure our tenants and residents continue to enjoy living in an attractive environment, and that the area within which we operate continues to appeal to new and potential customers.
- 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 conclude the ongoing review of the Service Sharing Arrangements with Spire View to evaluate the ongoing efficiency and effectiveness of the model as well as allowing an opportunity to consider any development opportunities.
- 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.

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Following a comprehensive review of our rent charges during 2018/19 and 2019/20 we applied a 2.5% increase on our rents for 2020/21 to reflect our current and future costs and to ensure we will continue to meet all tenant and business requirements.

**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 2020/21, 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 2020/21 we will help achieve this by:

- Safeguarding our culture of innovation, customer/business and excellence
- Partner on delivery of the Aspire Digital Space project, in partnership 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 Royston Youth Action, GEMAP, Simon Community and North Glasgow Community Food Initiative.

**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 2017/2018, 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;

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**REPORT FROM THE MANAGEMENT COMMITTEE**  
**FOR THE YEAR ENDED 31 MARCH 2020**

- 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 joint strategy day 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. Further reviews of the Business Plan were carried out during 2018/2019 and 2019/2020.

**Principal Risks and Uncertainties Faced**

The comprehensive review during 2019/20 identified and analysed several risks facing the Association including those relating to;

- COVID-19
- Welfare reform
- Potential IT Systems Failures
- Tenant Expectations
- EESSH Compliance
- Interest Rates
- Changing Regulatory Landscape
- Rent Levels
- Effective Governance
- 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 developed and risk 'owner' identified. The risk register is overseen by the Management Committee quarterly through business planning and reporting.

**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.

**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.



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REPORT FROM THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2020**

**COVID – 19**

COVID-19 presents significant uncertainty and risks for the Association, many of which will only be fully realised during 2020/21. There are risks 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. The main impacts of COVID-19 on the Association are outlined below;

- Changes to governance arrangements were required to allow for 'remote' committee meetings via Zoom. The programmed schedule of meetings since lockdown has been fully achieved.
- A significant increase in home working and the requirement to ensure all staff remain vigilant to the risks associated with cyber security. Relevant training and advice has been provided to mitigate risk. The health and safety issues associated with home working have also been considered within the risk assessments.
- Remote service delivery including management of rent arrears, repairs, void management, allocations, gas servicing, estate management, money advice, tenancy support and financial capability. Each of these areas has been managed well and service delivery maintained to the highest possible standard in the circumstances.
- Void turnaround times increased quite significantly as allocations were not permitted for a period of time and there were subsequent difficulties in securing contractors to carry out works. However, allocations have now resumed with appropriate measures in place to ensure the safety of staff, customers and contractors.
- Intensive management of rent collection and arrears control has seen arrears levels remain fairly static. However, the Association is well aware that this may change over the course of 20/21 as the UK Government's Job Retention Scheme comes to an end and unemployment rises.
- Gas safety checks were unable to be carried out for a period of time as the Association's contractor stopped providing the service. Whilst we were able to source an alternative contractor temporarily, there were a number of instances where the gas safety certificate expired due to COVID restrictions. However, all 'failures' have since been addressed.
- For a period of around 3-4 months, we were unable to progress planned and cyclical works. However, steady progress is now being made.
- There has been a requirement to prepare several Risk Assessments to facilitate the return of staff to the workplace (office and hub) and to implement the necessary control measures, training and induction to ensure all staff are comfortable with the arrangements in place.
- Services and activities at the Roystonhill Community Hub ceased at the end of March 2020. However, the building was used as a hub to prepare and deliver over 200 food parcels and 175 hot meals each week to the local community, since the beginning of April 2020. These services were delivered in partnership with other members of the Royston Covid Response Group and managed predominantly by the Copperworks and Spire View Housing Associations. The group secured funding from the National Lottery and Scottish Government to facilitate delivery of these services as well as activity and care packs to those who were isolated, along with hot lunches for local children supported by Royston Youth Action.

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REPORT FROM THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2020**

**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;
- 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 auditor 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.

By order of Management Committee



**Secretary**

**Date: 16 September 2020**

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**REPORT FROM THE MANAGEMENT COMMITTEE**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**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; and
- 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 receive 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 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.

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**REPORT BY THE AUDITOR TO THE MANAGEMENT COMMITTEE OF COPPERWORKS HOUSING**  
**ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH**  
**2020**

In addition to our audit of the Financial Statements, we have reviewed your statement on page 9 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 Auditing Practices Board. 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 9 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.



Chartered Accountants  
Statutory Auditor  
133 Finnieston Street  
Glasgow  
G3 8HB

Date: 24/09/2020.

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF COPPERWORKS HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

**OPINION**

We have audited the financial statements of Copperworks Housing Association Limited for the year ended 31 March 2020 which comprise a statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in reserves and related notes. 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.

In our opinion the Financial Statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice: 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 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**

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 committee members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the committee members have 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 other information comprises the information contained in the committee members' report, other than the financial statements and our auditor's report thereon. The 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

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF COPPERWORKS HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

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

We have nothing to report in this regard.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 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 page 8, 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 trustees 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 Acts 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

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF COPPERWORKS HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

sufficient and appropriate to provide the basis for our opinion. The risk of not detecting a material 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 charitable company'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.

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.

**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.

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

Date: 24/09/2020.



**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
<b>REVENUE</b>	2	1,158,569	1,153,599
Operating costs	2	<u>(971,507)</u>	<u>(1,062,080)</u>
<b>OPERATING SURPLUS</b>	8	187,062	91,519
Interest receivable and other similar income		3,841	3,146
Interest payable and other similar charges	7	(10,420)	(11,068)
Other Finance Charges	10	<u>(6,000)</u>	<u>(4,000)</u>
		<u>(12,579)</u>	<u>(11,922)</u>
<b>SURPLUS FOR THE YEAR</b>		174,483	79,597
<b>OTHER COMPREHENSIVE INCOME</b>			
Initial recognition of multi-employer defined benefit scheme	23	-	16,000
Actuarial gains/(losses) in respect of pension scheme	23	138,000	(110,000)
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>312,483</u>	<u>(14,403)</u>

The results for the year relate wholly to continuing activities.

The notes on page 18 to 38 form part of these financial statements.



**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2020**

	Notes	2020 £	2019 £
<b>NON-CURRENT ASSETS</b>			
Housing properties - depreciated cost	11(a)	5,922,488	5,730,929
Other tangible fixed assets	11(b)	<u>1</u>	<u>136</u>
		5,922,489	5,731,065
<b>CURRENT ASSETS</b>			
Debtors	13	136,774	114,159
Cash at bank and in hand		<u>1,726,435</u>	<u>1,495,463</u>
		1,863,209	1,609,622
<b>CREDITORS:</b> amounts falling due within one year	14	<u>(233,744)</u>	<u>(217,779)</u>
<b>NET CURRENT ASSETS</b>		<u>1,629,465</u>	<u>1,391,843</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		7,551,954	7,122,908
<b>CREDITORS:</b> amounts falling due after more than one year			
housing property loans	15	(815,821)	(871,590)
<b>PROVISIONS FOR LIABILITIES</b>			
Pension - deficit funding liability	23	(54,000)	(235,000)
<b>DEFERRED INCOME</b>			
Social Housing Grants	18	(72,135)	(134,958)
Restricted Grant	18	<u>(816,156)</u>	<u>(400,000)</u>
		<u>5,793,842</u>	<u>5,481,360</u>
<b>EQUITY</b>			
Share capital	19	118	119
Revenue reserve	19	<u>5,793,724</u>	<u>5,481,241</u>
		<u>5,793,842</u>	<u>5,481,360</u>

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 16 September 2020.

Chairperson

Vice Chairperson

Secretary

The notes on page 18 to 38 form part of these financial statements.

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	16	292,332	185,822
<b>INVESTING ACTIVITIES</b>			
Acquisition and construction of housing properties	(354,085)	(443,428)	
Grants received	354,085	71,974	
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		-	(371,454)
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		292,332	(185,632)
<b>FINANCING ACTIVITIES</b>			
Issue of ordinary share capital	11	10	
Interest received	3,841	3,146	
Interest paid	(10,420)	(11,068)	
Loan principal repayments	(54,792)	(53,709)	
<b>NET CASH OUTFLOW FROM FINANCING</b>		(61,360)	(61,621)
<b>INCREASE(DECREASE) IN CASH</b>		230,972	(247,253)
<b>OPENING CASH AND CASH EQUIVALENTS</b>		1,495,463	1,742,716
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		<u>1,726,435</u>	<u>1,495,463</u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF CHANGES IN CAPITAL AND RESERVES**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	<b>Share Capital</b>	<b>Revenue Reserve</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at 1 April 2019	119	5,481,241	5,481,360
Issue of Shares	11	-	11
Cancelled shares	(12)	-	(12)
Surplus for Year	-	174,483	174,483
Other comprehensive income	-	138,000	138,000
Balance as at 31 March 2020	<u>118</u>	<u>5,793,724</u>	<u>5,793,842</u>

	<b>Share Capital</b>	<b>Revenue Reserve</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at 1 April 2018	131	5,495,644	5,495,775
Issue of Shares	10	-	10
Cancelled shares	(22)	-	(22)
Surplus for Year	-	79,597	79,597
Other comprehensive income	-	(94,000)	(94,000)
Balance as at 31 March 2019	<u>119</u>	<u>5,481,241</u>	<u>5,481,360</u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. PRINCIPAL ACCOUNTING POLICIES**

**Legal status**

The Association is incorporated under the Co-operative and Community Benefits 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 Covid 19 pandemic in its consideration and is satisfied that the Association has adequate resources to manage the impact of the pandemic on an ongoing basis.

**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.

Government Grants are released to income over the expected useful life of the asset to which it relates.

**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 are disclosed in the notes to the accounts.

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Valuation of Housing Properties**

Housing Properties are stated at cost less accumulated depreciation. 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 11(a). 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.

Component	Useful Economic Life
Building	100 years
Roof	50 years
Electrical Systems	30 years
Windows	30 years
Radiators	30 years
Boilers	15 years
Bathrooms	22 years
Kitchens	15 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.

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.

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. PRINCIPAL ACCOUNTING POLICIES (Continued)**

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.

**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. Since the year end there has been volatility in market assumptions given the Covid 19 pandemic and, in particular, discount rates have fallen which would increase scheme liabilities. However stock market performance has improved which would help to offset any increase in liabilities.

**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.

**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.

**Development Interest**

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

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. PRINCIPAL ACCOUNTING POLICIES (Continued)**

**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 the schemes in which it manages its housing property for asset management purposes.

**c) Pension liability**

In May 2020 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 for the pension defined benefit liability as disclosed in these accounts. The Management Committee consider this the best estimate of their scheme liability.

**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 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2. PARTICULARS OF REVENUE, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS**

		2020				2019			
	Note	Revenue		Operating Costs		Operating surplus/ (deficit)		Revenue	
		£	£	£	£	£	£	£	£
Social letting activities	<b>3</b>	1,021,633	(816,441)	205,192	971,490	(867,505)	103,985		
Other activities	<b>4</b>	136,936	(155,066)	(18,130)	182,109	(194,575)	(12,466)		
<b>Total</b>		<u>1,158,569</u>	<u>(971,507)</u>	<u>187,062</u>	<u>1,153,599</u>	<u>(1,062,080)</u>	<u>91,519</u>		



**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL LETTINGS**

	General Needs Housing £	Supported Housing £	Shared Ownership Housing £	2020 Total £	2019 Total £
<b>Revenue from lettings</b>					
Rent receivable net of identifiable service charges	1,021,554	-	-	1,021,554	972,079
Service charges receivable	-	-	-	-	-
<b>Gross rents receivable</b>	<u>1,021,554</u>	<u>-</u>	<u>-</u>	<u>1,021,554</u>	<u>972,079</u>
Less rent losses from voids	(673)	-	-	(673)	(1,340)
<b>Net rents receivable</b>	<u>1,020,881</u>	<u>-</u>	<u>-</u>	<u>1,020,881</u>	<u>970,739</u>
Amortisation of Social Housing & Other Grants	752	-	-	752	751
Revenue grants from local authorities and other agencies	-	-	-	-	-
<b>Total income from social letting</b>	<u>1,021,633</u>	<u>-</u>	<u>-</u>	<u>1,021,633</u>	<u>971,490</u>
<b>Expenditure on social letting activities</b>					
Management and maintenance administration costs	399,847	-	-	399,847	423,876
Planned and cyclical maintenance including major repairs	129,733	-	-	129,733	170,009
Reactive maintenance	120,321	-	-	120,321	107,546
Bad debts - rents and service charges	4,014	-	-	4,014	4,186
Depreciation of social housing	162,526	-	-	162,526	161,888
<b>Total operating costs of social letting</b>	<u>816,441</u>	<u>-</u>	<u>-</u>	<u>816,441</u>	<u>867,505</u>
<b>Operating surplus on social letting activities</b>	<u>205,192</u>	<u>-</u>	<u>-</u>	<u>205,192</u>	<u>103,985</u>
<b>2019</b>	<u>103,985</u>	<u>-</u>	<u>-</u>	<u>103,985</u>	

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**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) 2020 £	Operating surplus/ (deficit) 2019 £
Factoring Services	-	-	9,240	9,240	-	-	9,240	-
Medical Adaptations	7,498	-	-	7,498	-	(6,460)	1,038	3,002
Wider Action	45,092	-	-	45,092	-	(35,813)	9,279	(15,490)
Contracted Services for RSL	-	-	75,094	75,094	-	(112,793)	(37,699)	-
Other Income	-	-	12	12	-	-	12	22
<b>TOTAL FROM OTHER</b>								
<b>ACTIVITIES</b>	<u>52,590</u>	<u>-</u>	<u>84,346</u>	<u>136,936</u>	<u>-</u>	<u>(155,066)</u>	<u>(18,130)</u>	<u>(12,466)</u>
<b>TOTAL FROM OTHER</b>								
<b>ACTIVITIES FOR 2019</b>	<u>103,418</u>	<u>-</u>	<u>78,691</u>	<u>182,109</u>	<u>-</u>	<u>(194,575)</u>	<u>(12,466)</u>	

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

	2020	2019
	£	£
Total Emoluments paid to key management personnel:	<u>65,176</u>	<u>62,496</u>

Payments made to Board members during the year for reimbursement of expenses totalled £1,284 (2019 - £1,573).

**6. EMPLOYEE INFORMATION**

	2020	2019
	£	£
Staff costs during the year:		
Wages and salaries	198,301	196,549
Social security costs	16,620	17,159
Other pension costs	15,109	14,134
	<u>230,030</u>	<u>227,842</u>

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

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2020	2019
	£	£
Bank loans and overdrafts	<u>10,420</u>	<u>11,068</u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**8. OPERATING SURPLUS FOR THE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Surplus is stated after charging/(crediting):		
Depreciation of tangible owned fixed assets	162,661	162,292
Auditors' remuneration - audit services	6,200	6,000
Operating lease rentals - land and buildings	12,000	12,000
- other	1,127	2,696
Amortisation of capital grants	<u>(752)</u>	<u>(751)</u>

**9. TAX ON SURPLUS ON ORDINARY ACTIVITIES**

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

**10. OTHER FINANCE INCOME/CHARGES**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net interest and other expenses on defined benefit pension scheme	<u>6,000</u>	<u>4,000</u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**11. NON-CURRENT ASSETS**

**a) Housing Properties**

	<b>Housing Properties Held for Letting</b>	<b>Land Remediation Works</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>			
At start of year	6,062,717	462,071	6,524,788
Additions	-	354,085	354,085
Disposals	-	-	-
Transfers of stock	-	-	-
At end of year	<u>6,062,717</u>	<u>816,156</u>	<u>6,878,873</u>
<b>DEPRECIATION</b>			
At start of year	793,859	-	793,859
Charged during year	162,526	-	162,526
Eliminated on disposal	-	-	-
At end of year	<u>956,385</u>	<u>-</u>	<u>956,385</u>
<b>NET BOOK VALUE</b>			
At end of year	<u>5,106,332</u>	<u>816,156</u>	<u>5,922,488</u>
At start of year	<u>5,268,858</u>	<u>462,071</u>	<u>5,730,929</u>

Additions to housing properties includes capitalised development administration costs of £Nil (2019 - £Nil) and capitalised major repair costs to existing properties of £Nil (2019 - £Nil).

The Association's lenders have standard securities over housing property with a carrying value of £5,087,454 (2019 - £5,244,396).

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**b) Other tangible assets**

	<b>Computer Equipment £</b>	<b>Furniture &amp; Fittings £</b>	<b>Total £</b>
<b>COST</b>			
At start of year	23,830	53,557	77,387
Additions	-	-	-
Disposals	-	-	-
At end of year	<u>23,830</u>	<u>53,557</u>	<u>77,387</u>
<b>DEPRECIATION</b>			
At start of year	23,694	53,557	77,251
Charged during year	135	-	135
Disposals	-	-	-
At end of year	<u>23,829</u>	<u>53,557</u>	<u>77,386</u>
<b>NET BOOK VALUE</b>			
At end of year	<u>1</u>	<u>-</u>	<u>1</u>
At start of year	<u>136</u>	<u>-</u>	<u>136</u>

**12. COMMITMENTS UNDER OPERATING LEASES**

	<b>2020 £</b>	<b>2019 £</b>
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-		
Not later than one year	-	1,127
Later than one year and not later than five years	<u>-</u>	<u>1,127</u>
	<u>-</u>	<u>2,254</u>

**13. DEBTORS**

	<b>2020 £</b>	<b>2019 £</b>
Arrears of Rent & Service Charges	18,151	19,337
Less: Provision for Doubtful Debts	<u>3,894</u>	<u>-</u>
	<u>14,257</u>	<u>19,337</u>
Other Debtors	95,261	50,081
Prepayments and accrued income	<u>27,256</u>	<u>44,741</u>
	<u>136,774</u>	<u>114,159</u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**14. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Housing Loans	59,705	58,728
Grants	-	31,866
Trade Payables	32,239	26,448
Rent in Advance	38,092	34,090
Other Taxation and Social Security	4,897	5,519
Other Payables	80,506	61,128
Accruals and Deferred Income	18,305	-
	<u>233,744</u>	<u>217,779</u>

**15. CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Housing loans	<u>815,821</u>	<u>871,590</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. The loans will be repaid in full by 2034. The interest rate was 1.2% (variable) during the year.

The Bank loans are repayable as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Between one and two years	60,426	59,437
Between two and five years	185,687	182,648
In five years or more	569,708	629,505
	<u>815,821</u>	<u>871,590</u>

**COPPERWORKS HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**16. STATEMENT OF CASH FLOWS**

Reconciliation of operating surplus to balance as at 31 March 2020	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Operating Surplus	187,062	91,519
Depreciation	162,661	162,292
Amortisation of Capital Grants	(752)	(751)
Change in debtors	(22,615)	6,747
Change in creditors	14,988	(26,963)
Past service pension deficit contributions	(49,000)	(47,000)
Cancelled Shares	(12)	(22)
Balance as at 31 March 2020	<u>292,332</u>	<u>185,822</u>

**17. ANALYSIS OF CHANGES IN NET DEBT**

	<b>As at 1 April 2019</b>	<b>Cash-flows</b>	<b>Other changes</b>	<b>As at 31 March 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash	1,495,463	230,972	-	1,726,435
Loans falling due within one year	(58,728)	54,792	(55,769)	(59,705)
Loans falling due after more than one year	(871,590)	-	55,769	(815,821)
<b>TOTAL</b>	<u>565,145</u>	<u>285,764</u>	<u>-</u>	<u>850,909</u>



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**18. DEFERRED INCOME**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Social Housing Grants</b>		
Balance as at 1 April 2019	134,958	95,601
Additions in year	-	40,108
Reclassification	(62,071)	-
Amortisation in Year	(752)	(751)
Balance as at 31 March 2020	<u>72,135</u>	<u>134,958</u>
<b>Restricted Grant</b>		
Balance as at 1 April 2019	400,000	400,000
Reclassification	62,071	-
Received in Year	354,085	-
Balance as at 31 March 2020	<u>816,156</u>	<u>400,000</u>
<b>Total deferred grants</b>	<u><u>888,291</u></u>	<u><u>534,958</u></u>

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

Amounts released within one year	752	751
Amounts released in one year or more	<u>71,383</u>	<u>134,207</u>
	<u><u>72,135</u></u>	<u><u>134,958</u></u>

**19. SHARE CAPITAL AND RESERVES**

<b>Share Capital</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Shares of £1 each Issued and Fully Paid</b>		
At 1 April 2019	119	131
Issued in year	11	10
Cancelled in year	<u>(12)</u>	<u>(22)</u>
At 31 March 2020	<u><u>118</u></u>	<u><u>119</u></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 AND RESERVES (Continued)**

<b>Reserves</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
At 1 April 2019	5,481,241	5,495,644
Surplus for year	174,483	79,597
Other comprehensive income	138,000	(94,000)
At 31 March 2020	<u>5,793,724</u>	<u>5,481,241</u>

**20. HOUSING STOCK**

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
The number of units of accommodation in management at the year end was:-		
General Needs	<u>270</u>	<u>270</u>

**21. RELATED PARTY TRANSACTIONS**

Members of the Management Committee 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 were as follows:

- Rent Received from Tenants on the Committee – £19,116
- Factoring income received from Owner Occupiers in the Committee - £460
- At the year-end total rent arrears owed by the tenant members of the Committee were – £375
- At the year-end total factoring arrears owed by Owner Occupiers of the Committee were - £319

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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, G21 1JF.

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

**23. RETIREMENT BENEFIT OBLIGATIONS**

**SCHEME: TPT Retirement Solutions – Scottish Housing Associations' Pension Scheme**

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

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

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

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

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

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

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

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

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**23. RETIREMENT BENEFIT OBLIGATIONS (Continued)**

<b>Pension scheme liability movements</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
As at 1 April 2019	235,000	184,000
De-recognition of deficit funding liability	-	(184,000)
Recognition of defined benefit obligation	-	168,000
Expenses	1,000	1,000
Net interest expense	5,000	4,000
Deficit contributions Paid	(49,000)	(48,000)
Impact of change in assumptions	(138,000)	110,000
As at 31 March 2020	<u>54,000</u>	<u>235,000</u>

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

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Fair value of plan assets	1,505	1,525
Present value of defined benefit obligation	1,559	1,760
Surplus (deficit) in plan	(54)	(235)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(54)	(235)

**RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION**

	<b>Period ended 31 March 2020</b>	<b>Period ended 31 March 2019</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Defined benefit obligation at start of period	1,760	1,634
Current service cost	-	-
Expenses	1	1
Interest expense	40	41
Contributions by plan participants	-	-
Actuarial losses (gains) due to scheme experience	-	29
Actuarial losses (gains) due to changes in demographic assumptions	(9)	4
Actuarial losses (gains) due to changes in financial assumptions	(171)	107
Benefits paid and expenses	(62)	(56)
Defined benefit obligation at end of period	1,559	1,760

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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 2020 (£000s)	Period ended 31 March 2019 (£000s)
Fair value of plan assets at start of period	1,525	1,466
Interest income	35	37
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(42)	30
Contributions by the employer	49	48
Contributions by plan participants	-	-
Benefits paid and expenses	(62)	(56)
Fair value of plan assets at end of period	1,505	1,525

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was (£7,000).

**DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SoCI)**

	Period from 31 March 2019 to 31 March 2020 (£000s)	Period from 31 March 2018 to 31 March 2019 (£000s)
Current service cost	-	-
Expenses	1	1
Net interest expense	5	4
Defined benefit costs recognised in statement of comprehensive income (SoCI)	6	5

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**23. RETIREMENT BENEFIT OBLIGATIONS (Continued)**

**DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME**

	Period ended 31 March 2020 (£000s)	Period ended 31 March 2019 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(42)	30
Experience gains and losses arising on the plan liabilities - gain (loss)	-	(29)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	9	(4)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	171	(107)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	138	(110)
Total amount recognised in other comprehensive income - gain (loss)	138	(110)

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**23. RETIREMENT BENEFIT OBLIGATIONS (Continued)**

**ASSETS**

	31 March 2020 (£000s)	31 March 2019 (£000s)
Global Equity	207	245
Absolute Return	92	129
Distressed Opportunities	27	26
Credit Relative Value	36	26
Alternative Risk Premia	121	85
Fund of Hedge Funds	-	4
Emerging Markets Debt	54	49
Risk Sharing	48	44
Insurance-Linked Securities	40	40
Property	28	30
Infrastructure	89	64
Private Debt	30	20
Opportunistic Illiquid Credit	37	-
Corporate Bond Fund	110	107
Liquid Credit	39	-
Long Lease Property	37	19
Secured Income	84	53
Over 15 Year Gilts	19	39
Liability Driven Investment	396	543
Net Current Assets	11	2
Total assets	1,505	1,525

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.

**KEY ASSUMPTIONS**

	31 March 2020 % per annum	31 March 2019 % per annum
Discount Rate	2.39	2.30
Inflation (RPI)	2.65	3.30
Inflation (CPI)	1.65	2.30
Salary Growth	2.65	3.30
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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**23. RETIREMENT BENEFIT OBLIGATIONS (Continued)**

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

	Life expectancy at age 65 (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

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. Since the year end there has been volatility in market assumptions given the Covid 19 pandemic and, in particular, discount rates have fallen which would increase scheme liabilities. However stock market performance has improved which would help to offset any increase in liabilities.

**24. CAPITAL COMMITMENTS**

	2020 £	2019 £
Expenditure contracted but not provided for in accounts	-	449,000

The 2019 commitment was fully funded by grants receivable.

**25. CONTINGENT LIABILITY**

At 30 September 2019 the estimated debt on withdrawal from the Scottish Housing Associations' Pension Scheme was £1,122,684.