

DALMUIR PARK HOUSING ASSOCIATION LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2020**

Registered Housing Association Number: HAL 98
Charity Registration Number: SC033471
FCA Reference Number: 1917 R S
Property Factor Number : PF000397

DALMUIR PARK HOUSING ASSOCIATION LIMITED

CONTENTS

	Page.
MEMBERS OF THE MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS	3
REPORT TO THE MANAGEMENT COMMITTEE	4-9
REPORT BY THE AUDITORS ON CORPORATE GOVERNANCE MATTERS	10
INDEPENDENT AUDITORS REPORT TO THE MANAGEMENT COMMITTEE	11-13
STATEMENT OF COMPREHENSIVE INCOME	14
STATEMENT OF FINANCIAL POSITION	15
STATEMENT OF CASH FLOWS	16
STATEMENT OF CHANGES IN EQUITY	17
NOTES TO THE FINANCIAL STATEMENTS	18-35

DALMUIR PARK HOUSING ASSOCIATION LIMITED

The Management Committee, Executives and Advisers For the Year Ended 31 March 2020

MEMBERS OF THE BOARD/ MANAGEMENT COMMITTEE

Chair	Gordon Laurie	
Vice Chair	Craig Edward	
Committee Member	Robert McDougall	- resigned 11/12/2019
Committee Member	Jack Marshall	
Committee Member	Audrey Simpson	
Committee Member	Ashely Stockley	
Committee Member	Anita Williamson	
Committee Member	Robert Murray	
Committee Member	Ian Lennox	
Committee Member	Matthew Reid	
Committee Member	John Murray	- resigned 15/05/2019
Committee Member	Melanie Cameron	- appointed 05/09/2019
Committee Member	Jordan Henderson	- appointed 05/09/2019
Committee Member	Karen Johnston	- appointed 05/09/2019
Committee Member	Loraine Lester	- appointed 05/09/2019

SECRETARY

Anne Marie Brown	- appointed 19/02/2020
Catherine Lowe	- resigned 19/02/2020

EXECUTIVE OFFICERS

Chief Executive	Anne Marie Brown	- appointed 06/01/2020
Interim Director	Catherine Lowe	- resigned 05/01/2020

REGISTERED OFFICE/PRINCIPAL ADDRESS

Beardmore House
631 Dumbarton Road
Dalmuir
Clydebank
G81 4EU

AUDITORS

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

SOLICITORS

TC Young
Merchants House
7 West George Street
Glasgow
G2 1BA

BANKERS

Bank of Scotland
42-44 Sylvania Way
Clydebank
G81 2TL

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.

Objectives and Strategy

The Association is a Registered Social Landlord and Scottish Charity. The core objects as set out in our Rules are to provide for the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage through the provision, construction, improvement and management of land and accommodation and the provision of care.

We approved a new three-year business plan in August 2018 with six strategic objectives:

- Objective 1 - Create Strong and Sustainable Strategic Governance
- Objective 2 - Deliver Excellent Services and Performance
- Objective 3 - Provide Quality Homes in an Attractive Environment
- Objective 4 - Demonstrate Value for Money
- Objective 5 - Develop Leadership and People
- Objective 6 - Be more than just a Great Landlord

The business plan was reviewed in May 2020 and the year 3 delivery plan approved.

Legal Status

The Association is registered as a non-profit making Association under the Co-operative and Community Benefit Societies Act 2014 No.1917R(S). The Association is governed under its Rules. The Association is a registered Scottish Charity with the charity number SC033471. We are also a registered Property Factor with the Property Factor ID PF000397.

Review of business and future developments

From April 2019 DPHA embarked on looking forward in a very positive way. The SHR ended their high engagement with the Association and issued a new engagement plan with three key strategic outcomes. They are:

- Create Strong and Sustainable Strategic Governance
- Develop Leadership and People
- Design and develop a staff restructure

We have completed the first two strategic objectives and are working on the third currently. Progress is being monitored by our Management Committee and the Scottish Housing Regulator.

The Association recruited and welcomed a new Chief Executive, Anne Marie Brown, in January 2020. She brings with her a wealth of housing association experience and local knowledge. We also recruited four new members to Management Committee, filling some of the identified skills and knowledge gaps.

The Association continues to provide excellent customer service with levels of overall tenant satisfaction increasing from 95.6% to 98% in 2019/20.

On the service that tenants tend to access most, 91.2% of tenants who have had repairs or maintenance carried out in the last 12 months were satisfied.

Whilst this satisfaction indicator remains positive, it is 3% lower than last year and we know we still need to make significant improvement in this core area of business.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

Report from The Management Committee - Continued For the Year Ended 31 March 2020

Our letting performance continues to improve with our days to let empty houses reducing from 14.24 days in 2018/19 to 13.73 days in 2019/20. Our overall satisfaction levels with services provided by the Association is 98.3%, up 2.7% from last year.

Rents are the main source of income and it is essential that we collect as much rent each month as possible. **Rent collected as % of total rent due in the reporting year increased very slightly to 98.59%.** We recognise that many of our tenants are struggling financially whether through pay/benefit levels not keeping pace with inflation or job insecurity. The impact of COVID19 affected on our rental income in March 2020 and the impact of the pandemic and lockdown on our tenants has been significant. The increase in the numbers of tenants who moved onto Universal Credit following the outbreak of COVID19 has been significant. Customer Services staff have been working closely with those tenants to ensure they can access financial support from Universal Credit. 22% of our tenants now receive Universal Credit. We continue to support our tenants most affected by COVID19 and the Universal Credit changes.

DPHA continues to contribute towards the funding of the Clydebank Independent Resource Centre by providing a commercial unit on Dumbarton Road which they use as a sensory room for vulnerable children and adults. In return, our tenants and service users can access a welfare rights service to help maximise incomes, process housing benefit and universal credit claims and assist customers with debt issues. This in turn helps tenants to pay their rent and sustain their tenancies.

The Association is committed to ensuring our properties are maintained to a high standard and recognises our obligations to provide a responsive repairs service and planned investment to our properties. In 2019/20 we invested £782,145 in upgrading our properties. The lockdown in March 2020 due to COVID 19 prevented us completing the electric heating upgrade at The Crescent. During the year we delivered:

- 56 properties were partially rewired as part of the kitchen contract
- 37 replacement gas boilers installed
- 25 replacement electric heating systems installed
- 56 new kitchens installed
- 42 new bathrooms installed
- 3 block door entry system was replaced
- 13 disabled adaptations
- 3 back court upgrades
- 54 houses had smoke/heat detector upgrades
- 25 houses had new front windows installed
- 2 sandstone tenement buildings had extensive front and rear elevation stonework repairs completed
- Car park areas at Nairn Street resurfaced

We continue to act as the property factor for 147 homeowners in the area. We also have 20 shared ownership properties. Some of the 20 year leases came to an end in 2019/20 and as a result two sharing owners sold their shares back to the Association.

Our Care Services continue to perform well. Our sheltered housing service received “Very Good” grading from the Care Inspectorate at its 2018 and 2019 inspections and tenant and carer feedback was very positive about the person-centred care and support that tenants received. Our out of school club (DOSCG), for primary school age children, also received “Good” grades from the Care Inspectorate at its 2018 inspection.

The Inspector commented on the significant improvements, particularly to the environment of the service and nurturing ways of the staff with the children who use the service.

We have developed a joint inter-generational project with Nursery Times By The River and our sheltered housing tenants and children from the nursery visit our common rooms weekly to interact and have lunch. We also successfully bid for funding from Cash For Kids and Asda which allowed us to run some special events for our children at DOSCG.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

Report from The Management Committee - Continued For the Year Ended 31 March 2020

During COVID 19 we maintain close contact with the Care Inspectorate in terms of the advice and support they provide for our care services.

Although not legally part of DPHA, the Beardmore Trust does function with some support from us. The Trust is fully compliant with OSCR, the charities regulator, and is continuing to review its future role. The Beardmore Trust continues to fund the lunch club service in both our sheltered housing complexes. In addition, jointly with DPHA, it has commissioned a feasibility study to seek a longer-term option for the services we provide at DOSCG and our office. This is due to report back to both the Beardmore Trust and DPHA in 2020/21.

COVID 19 has had a major impact on how we provide services to our tenants and customers since March 2020. We have demonstrated that we have robust business continuity plans in place to cope with this challenging situation and we are providing as many of our usual services as possible to tenants and customers during this time.

Financial Review

These financial results cover the Association's forty second year of operations. The Association made a loss for the year of £12,506 before other comprehensive income which has resulted in Total Comprehensive Income for the year of £394,494 (2019: £14,600). During the year, £782,144 was spent on planned maintenance (which has been capitalised) bringing the total spend on our Investment Programme to £32.4 million.

Turnover of £3.9 million (2019: £3.8m) was generated in the year (of which £2.7 million relates to the income from the letting of properties at affordable rents). Rent increases during 2019/20 were 2.9%.

At 31 March 2020 £7.7 million was held in reserves.

Future Plans

Dalmuir Park Housing Association is a strong and resilient social business. However, the Management Committee remains conscious of the need to keep management costs as low as possible, rents affordable and still ensure that the Association can maintain and improve the standards of service to customers and the quality of its homes. We recognise that the operating and financial environment continue to be challenging, especially for small housing associations.

We will ensure going forward that we are self-aware and pro-active in making important strategic decisions that build on our strengths and maximise opportunities, whilst identifying and responding to threats. This will ensure that Dalmuir Park Housing Association continues to be a resilient and successful organisation.

Our three-year Business Plan is reviewed annually and supported by 30-year financial assumptions to demonstrate the continued viability of the Association over the short, medium and long term.

We will review our vision, mission and strategic objectives for the Association to ensure they reflect what our tenants and other service users tell us they need from us. Our major commitment in our business plan is the investment in our houses with over £1million identified for each of the next 3 years.

We will be developing a new 3-year business plan in 2020/21 for the period 2021/22 to 2023/24. This will consider any strategic issues we need to action as a result of COVID 19.

Currently the Association is debt free, paying off the balance of loans in December 2018. Our investment programme means that we will require new borrowing in 2020/21 and we have started the process to procure a new lending facility so that it is in place later in 2020.

Risks and uncertainties

DALMUIR PARK HOUSING ASSOCIATION LIMITED

Strong governance is essential at Dalmuir Park Housing Association to ensure that the transformation of the Association continues at pace and with the required determination to see the major changes that are needed through to delivery.

Report from The Management Committee - Continued For the Year Ended 31 March 2020

Prudent treasury management will be required to manage cash flow to meet the delivery of the required investment programme.

The Association participates in the Scottish Housing Associations Pension Scheme. With effect from April 2018 the scheme is able to provide the Association with its Net Pension Deficit position. This compares with the previous method which was based on the net present value of contributions towards the past service deficit. The Association is currently reviewing the SHAPS defined benefits scheme and will consider options later in 2020.

Our internal auditors have carried out six audits for us. These have been reported to the Audit and Risk Sub Committee with management actions which are being monitored on a quarterly basis by sub committee.

We will also continue to manage key risks including:

- Inflation, pay and interest rates
- Welfare reform
- Fire safety changes
- Pension liabilities
- Impact of COVID19

Principal Activities

The principal activity of the Association is to maximise its impact as a social landlord in the local community through the provision of wide ranging quality services.

Statement of Management Committee's responsibilities

The Co-operative and Community Benefit 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 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.

Report from The Management Committee - Continued For the Year Ended 31 March 2020

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 auditors are 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 auditors are aware of that information.

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 mis-statement 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.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

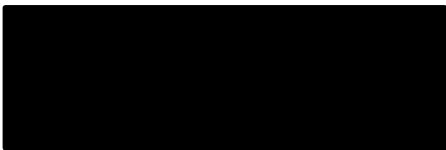
Report from The Management Committee - Continued For the Year Ended 31 March 2020

Independent Auditors

A resolution for the reappointment of French Duncan LLP as auditor is to be proposed at the forthcoming Annual General Meeting.

By order of Management Committee

Signature

A large black rectangular box redacting the signature of Gordon Laurie.

Gordon Laurie
Chair

Date: 24/05/2020

DALMUIR PARK HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE MANAGEMENT COMMITTEE OF DALMUIR PARK 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 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 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 8 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.



French Duncan LLP

Chartered Accountants & Statutory Auditors
133 Finnieston Street
GLASGOW
G3 8HB

Date: 8 September 2020

DALMUIR PARK HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS REPORT TO THE MANAGEMENT COMMITTEE OF DALMUIR PARK HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 March 2020

OPINION

We have audited the financial statements of Dalmuir Park 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 equity 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 (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 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 trustees' report, other than the financial statements and our auditor's report thereon. The trustees 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.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

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.

MATTER 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 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 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 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 trustees' 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.
- 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.

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 auditors' 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 Auditors
133 Finnieston Street
GLASGOW
G3 8HB

Date: 8 September 2020

DALMUIR PARK HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2020

	Notes	£	2020 £	£	2019 £
REVENUE	2		3,888,010		3,812,007
Operating Costs	2		(3,876,304)		(3,550,628)
OPERATING SURPLUS	9		11,706		261,379
Loss on Sale of Property, Plant & Equipment	7	(23,945)		-	
Realised (Loss) / Gain on Investments		-		(10,470)	
Interest Receivable and Other Income		8,733		13,408	
Interest Payable and Similar Charges	8	-		(16,129)	
Other Finance Charges	11	(9,000)		(9,000)	
			(24,212)		(22,191)
(LOSS)/SURPLUS FOR YEAR			(12,506)		239,188
OTHER COMPREHENSIVE INCOME	24				
Initial recognition of multi-employer defined benefit pension scheme			-		(212,588)
Actuarial gain/(loss) in respect of pension scheme			407,000		(12,000)
TOTAL COMPREHENSIVE INCOME			394,494		14,600

The results for the year relate wholly to continuing activities.

The notes on pages 18 to 35 form part of these financial statements.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2020

	Notes	£	2020 £	£	2019 £
NON-CURRENT ASSETS					
Housing Properties – Depreciated Cost	12 (a)		19,721,580		19,871,662
Other Tangible Fixed Assets	12 (b)		222,851		290,140
Investments	12 (c)		-		-
			<u>19,944,431</u>		<u>20,161,802</u>
CURRENT ASSETS					
Trade and Other Debtors	14	339,871		382,024	
Cash and Cash Equivalents		1,969,428		2,203,434	
			<u>2,309,299</u>	<u>2,585,458</u>	
CREDITORS: Amounts falling due within one year	15	(376,105)		(260,107)	
			<u>1,933,194</u>		<u>2,325,351</u>
NET CURRENT ASSETS					
			<u>21,877,625</u>		<u>22,487,153</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS: Amounts falling due after more than one year	16		-		-
Provision for Liabilities	24		-		(405,000)
DEFERRED INCOME					
Social Housing Grants	19(a)		(14,031,717)		(14,623,534)
Other Grants	19(b)		(168,978)		(176,175)
			<u>7,676,930</u>		<u>7,282,444</u>
NET ASSETS					
EQUITY					
Share Capital	19		115		123
Revenue Reserves			<u>7,676,815</u>		<u>7,282,321</u>
			<u>7,676,930</u>		<u>7,282,444</u>

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



Gordon Laurie
Chair



Craig Edward
Vice-Chair



Anne Marie Brown
Secretary

The notes on pages 18 to 35 form part of these financial statements.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 March 2020**

	Notes	£	2020 £	£	2019 £
Net Cash Inflow from Operating Activities	17		584,679		533,276
Investing Activities					
Purchase of Other Fixed Assets		(9,531)		(48,014)	
Purchase of Component Installations		(782,144)		(306,758)	
Purchase of Housing Properties		(35,750)		(29,250)	
Net Cash Outflow from Investing Activities			<u>(827,425)</u>		<u>(384,022)</u>
Financing Activities					
Interest Received		8,733		13,408	
Interest Paid on Loans		-		(16,129)	
Loan Principal Repayments		-		(535,113)	
Withdrawal from Investments		-		338,268	
Share Capital Issued		7		19	
Net Cash Inflow/(Outflow) from Financing			<u>8,740</u>		<u>(199,547)</u>
Decrease in Cash & Cash Equivalents			(234,006)		(50,293)
Opening Cash & Cash Equivalents			<u>2,203,434</u>		<u>2,253,727</u>
Closing Cash & Cash Equivalents			<u>1,969,428</u>		<u>2,203,434</u>

The notes on pages 18 to 35 form part of these financial statements.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY
31 March 2020

	Share Capital £	Revenue Reserve £	Total £
Balance as at 31 March 2019	123	7,282,321	7,282,444
Issue of Shares	7		7
Cancelled in the year (Loss) for the year	(15)	(12,506)	(15) (12,506)
Other comprehensive income		407,000	407,000
Balance as at 31 March 2020	<u>115</u>	<u>7,676,815</u>	<u>7,676,930</u>

	Share Capital £	Revenue Reserve £	Total £
Balance as at 31 March 2018	124	7,267,721	7,267,845
Issue of Shares	19		19
Cancelled in the year	(20)		(20)
Surplus for the year		239,188	239,188
Other Comprehensive Income		(224,588)	(224,588)
Balance as at 31 March 2019	<u>123</u>	<u>7,282,321</u>	<u>7,282,444</u>

DALMUIR PARK 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 were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for Social Housing Providers 2018 and comply with the Scottish Housing Regulator Determination of Accounting Requirements (December 2019).

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 Management Committee have assessed the Association's ability to continue as a going concern and have reasonable expectations that the Association has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements. 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.

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 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.

Component	Useful Economic Life
Kitchens	15 years
Bathrooms	20 years
Central Heating	15 years
Windows	30 years
Structure	50 & 100 years

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2020
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

(Continued.)

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:-

Office Premises	6 $\frac{2}{3}$ % Straight Line
Computers and other Office Equipment	20% Straight Line
Furniture and Fittings	15% Reducing Balance
Furniture for Furnished Accommodations	33 $\frac{1}{3}$ % Straight Line
Laundry Equipment in Sheltered Accommodations	20% 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.

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 Dalmuir Park Housing 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.

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2020
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

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 dependant on circumstances at the date of valuation. Since the year end there has been volatility in market assumptions given the COVID19 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.

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.

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 665 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 of the pension defined benefit disclosed in the accounts.

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.

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

	Notes	2020			2019		
		Revenue	Operating Costs	Operating Surplus / (Deficit)	Revenue	Operating Costs	Operating Surplus / (Deficit)
		£	£	£	£	£	£
Social Lettings	3	3,346,487	3,346,125	362	3,264,264	2,981,415	282,849
Other Activities	4	541,523	530,179	11,344	547,743	569,213	(21,470)
Total		3,888,010	3,876,304	11,706	3,812,007	3,550,628	261,379

DALMUIR PARK 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 £	2020 Total £	2019 Total £
Revenue from Lettings					
Rent Receivable Net of Identifiable Service Charges	2,161,326	248,536	39,206	2,449,068	2,371,885
Service Charges Receivable	270,205	22,519	-	292,724	293,391
	<u>2,431,531</u>	<u>271,055</u>	<u>39,206</u>	<u>2,741,792</u>	<u>2,665,276</u>
Gross Rents Receivable	2,431,531	271,055	39,206	2,741,792	2,665,276
Less: Rent losses from voids	(18,775)	(1,176)	-	(19,951)	(19,127)
	<u>2,412,756</u>	<u>269,879</u>	<u>39,206</u>	<u>2,721,841</u>	<u>2,646,149</u>
Net Rents Receivable	2,412,756	269,879	39,206	2,721,841	2,646,149
Amortisation of Social Housing Grants and Other Grants	590,057	-	8,957	599,014	599,014
Revenue Grants from Local Authorities and Other Agencies	25,632	-	-	25,632	19,101
	<u>3,028,445</u>	<u>269,879</u>	<u>48,163</u>	<u>3,346,487</u>	<u>3,264,264</u>
Total Income From Social Letting	3,028,445	269,879	48,163	3,346,487	3,264,264
Expenditure on Social Letting Activities					
Service Costs	307,520	36,115	-	343,635	324,794
Management and maintenance administration costs	957,612	91,142	16,572	1,065,326	1,115,940
Reactive Maintenance	420,405	41,587	-	461,992	406,442
Bad Debts – Rents and Service Charges	89,248	-	-	89,248	38,162
Planned and Cyclical Maintenance, including Major Repairs	431,869	10,024	-	441,893	181,916
Depreciation of Social Housing	929,797	4,481	9,753	944,031	914,161
	<u>3,136,451</u>	<u>183,349</u>	<u>26,325</u>	<u>3,346,125</u>	<u>2,981,415</u>
Operating Costs of Social Letting	3,136,451	183,349	26,325	3,346,125	2,981,415
	<u>(108,006)</u>	<u>86,530</u>	<u>21,838</u>	<u>362</u>	<u>282,849</u>
Operating Surplus/(Deficit) on Social Letting Activities	(108,006)	86,530	21,838	362	282,849
2019	<u>181,463</u>	<u>72,617</u>	<u>28,769</u>	<u>282,849</u>	

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2020
NOTES TO THE FINANCIAL STATEMENTS

4. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT 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 £
Wider Role Activities	-	-	1,325	1,325	-	14,677	(13,352)	(14,230)
Care Activities	2,402	90,624	309,555	402,581	-	374,948	27,633	37,757
Factoring	-	-	131,781	131,781	834	111,933	19,014	(17,988)
Other Activities	-	-	5,836	5,836	-	27,787	(21,951)	(27,009)
Total From Other Activities	2,402	90,624	448,497	541,523	834	529,345	11,344	(21,470)
2019	-	90,478	457,265	547,743	86	569,127	(21,470)	

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2020
NOTES TO THE FINANCIAL STATEMENTS

5. COMMITTEE 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

Aggregate emoluments payable to Key Management Personnel greater than £60,000 (excluding pension contributions)	-	76,329
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Emoluments payable to the Chief Executive/Director (excluding pension contributions)	72,753	76,329
Pension Contributions paid on behalf of Chief Executive/ Director	1,811	-
Total Emoluments payable to Chief Executive/Director	<u>74,564</u>	<u>76,329</u>

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

£60,001 - £70,000	-	-
£70,001 - £80,000	-	1
£80,001 - £90,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-

There were payments to board members during the year for reimbursement of expenses of £2,234 (2019 - £1,745)

6. EMPLOYEE INFORMATION

	2020	2019
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	<u>26</u>	<u>25</u>
The average total number of Employees employed during the year was	33	36
Staff Costs were:	£	£
Wages and Salaries	707,761	686,108
Social Security Costs	58,123	63,436
Other Pension Costs	63,400	66,900
Agency Staff	18,457	10,248
	<u>847,742</u>	<u>826,692</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2020
NOTES TO THE FINANCIAL STATEMENTS

7. (LOSS) ON SALE OF PROPERTY, PLANT & EQUIPMENT

	2020	2019
	£	£
Proceeds from Sale	-	-
Cost of Sale	23,945	-
(Loss) on Sale	<u>(23,945)</u>	<u>-</u>

8. INTEREST PAYABLE

	2020	2019
	£	£
On Bank Loans & Overdrafts	=	<u>16,129</u>

9. OPERATING SURPLUS

	2020	2019
	£	£
Surplus is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	1,020,851	1,011,193
Housing Association grant release	(591,817)	(591,817)
Commercial grant release	(1,700)	(1,700)
Council grant release	(5,497)	(5,497)
Auditors' Remuneration - Audit Services	<u>9,060</u>	<u>9,500</u>

10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

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

11. OTHER FINANCE CHARGES

	2020	2019
	£	£
Unwinding of the pension	<u>(9,000)</u>	<u>(9,000)</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2020
NOTES TO THE FINANCIAL STATEMENTS

12. FIXED ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Completed Shared Ownership Properties £	Total £
COST			
As at 1 April 2019	30,941,033	898,909	31,839,942
Additions	817,895	-	817,895
Disposals	(250,033)	-	(250,033)
Transferred	83,617	(83,617)	-
	<u>31,592,512</u>	<u>815,292</u>	<u>32,407,804</u>
As at 31 March 2020			
DEPRECIATION			
As at 1 April 2019	11,780,063	188,217	11,968,280
Charge for Year	934,278	9,753	944,031
Disposals	(226,087)	-	(226,087)
Transferred	8,075	(8,075)	-
	<u>12,496,329</u>	<u>189,895</u>	<u>12,686,224</u>
As at 31 March 2020			
NET BOOK VALUE			
As at 31 March 2020	<u>19,096,183</u>	<u>625,397</u>	<u>19,721,580</u>
As at 31 March 2019	<u>19,160,970</u>	<u>710,692</u>	<u>19,871,662</u>

Total expenditure on existing properties in the year amounted to £1,161,097 (2019 - £913,152). The amount capitalised as component replacements is £782,145 (2019- £306,758), with the balance charged to the Statement of Comprehensive Income. The additions above of £817,895 also include the buy back of additional units of £35,750.

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2020
NOTES TO THE FINANCIAL STATEMENTS

b) Other Tangible Assets	Office Furniture & Equipment	Commercial Property	Total
	£	£	£
COST			
As at 1 April 2019	992,403	396,913	1,389,316
Additions	9,531	-	9,531
Eliminated on Disposals	-	-	-
	<u>1,001,934</u>	<u>396,913</u>	<u>1,398,847</u>
AGGREGATE DEPRECIATION			
As at 1 April 2019	776,588	322,588	1,099,176
Charge for year	50,359	26,461	76,820
Eliminated on disposal	-	-	-
	<u>826,947</u>	<u>349,049</u>	<u>1,175,996</u>
NET BOOK VALUE			
As at 31 March 2020	174,987	47,864	222,851
As at 31 March 2019	<u>215,815</u>	<u>74,325</u>	<u>290,140</u>

c) Investments

	2020	2019
	£	£
Cost		
As at 1 April 2019	-	380,000
Disposal	-	(380,000)
As at 31 March 2020	<u>-</u>	<u>-</u>
Provision for Loss on Investments		
As at 1 April 2019	-	(31,262)
Movement	-	(10,470)
Disposal	-	41,732
As at 31 March 2020	<u>-</u>	<u>-</u>
Net Book Value		
As at 31 March 2020	<u>-</u>	<u>-</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2020
NOTES TO THE FINANCIAL STATEMENTS

13. COMMITMENTS UNDER OPERATING LEASES

At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-

	2020	2019
	£	£
Not later than one year	273	273
Later than one year and not later than five years	752	1,025
Later than five years	—	—
	<u>1,025</u>	<u>1,298</u>

14. DEBTORS

	2020	2019
	£	£
Arrears of Rent & Service Charges	270,232	301,215
Less: Provision for Doubtful Debts	<u>(94,000)</u>	<u>(67,013)</u>
Net Rent Arrears	176,232	234,202
Other Receivables	<u>163,639</u>	<u>147,822</u>
	<u>339,871</u>	<u>382,024</u>

15. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade Payables	211,914	122,996
Rent in Advance	81,247	63,987
Other Creditors	73,247	58,903
Accruals	<u>9,697</u>	<u>14,221</u>
	<u>376,105</u>	<u>260,107</u>

16. CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	2020	2019
	£	£
Housing Loans – between one and two years	-	-
– between two and five years	-	-
– due after five years	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2020
NOTES TO THE FINANCIAL STATEMENTS

17. STATEMENT OF CASHFLOWS

Reconciliation of Surplus to balance as at 31 March 2020

	2020	2019
	£	£
Operating Surplus	11,706	261,379
Depreciation	1,020,851	1,011,193
Amortisation of Capital Grants	(599,014)	(599,014)
Change in debtors	42,153	13,453
Change in creditors	115,998	(172,715)
Past Service Pension Deficit Contribution	(39,689)	(38,533)
Pension Scheme Service Costs	69,000	57,533
Pension Scheme Valuation Adjustments	(36,311)	-
Cancelled Shares	(15)	(20)
Balance as at 31 March 2020	<u>584,679</u>	<u>533,276</u>

18. ANALYSIS OF CHANGES IN CASHFLOWS

	April 2019	Cashflows	March 2020
	£	£	£
Cash and Cash Equivalents			
Cash at Bank	2,203,434	(234,006)	1,969,418
Cash Equivalents	-	-	-
Net Debt	-	-	-
Total	<u>2,203,434</u>	<u>(234,006)</u>	<u>1,969,418</u>

19. DEFERRED INCOME

	2020	2019
	£	£
<i>a) Social Housing Grants</i>		
As at 1 April 2019	14,623,534	15,215,351
Additions in year	-	-
Released / Repaid as the result of property disposal	-	-
Amortisation in Year	(591,817)	(591,817)
As at 31 March 2020	<u>14,031,717</u>	<u>14,623,534</u>
 <i>b) Other Grants</i>		
Balance as at 1 April 2019	176,175	183,372
Additions in year	-	-
Released / Repaid as the result of property disposal	-	-
Amortisation in Year	(7,197)	(7,197)
As at 31 March 2020	<u>168,978</u>	<u>176,175</u>

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

Amounts due within one year	599,014	599,014
Amounts due in one year or more	<u>13,601,681</u>	<u>14,200,695</u>
	<u>14,200,695</u>	<u>14,799,709</u>

24. RETIREMENT BENEFIT OBLIGATIONS

General

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 runs 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 has not been 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 were 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.

Pension Scheme Liability movements:

	2020	2019
	£	£
As at 1 April 2019	405,000	152,412
Increase in liability for change in accounting treatment	-	212,929
Current Service Cost	69,000	56,000
Net Interest expense	9,000	9,000
Expenses	1,192	1,192
Deficit Contributions Paid	(39,689)	(38,533)
Impact of change in assumptions	(183,000)	12,000
Amendment to the contribution schedule	(261,503)	-
As at 31 March 2020	<u>-</u>	<u>405,000</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2020
NOTES TO THE FINANCIAL STATEMENTS

24. RETIREMENT BENEFIT OBLIGATIONS

(Continued)

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

	31 March 2020	31 March 2019
	(£000s)	(£000s)
Fair value of plan assets	1,326	1,199
Present value of defined benefit obligation	1,273	1,604
Surplus (deficit) in plan	53	(405)
Unrecognised surplus	53	-
Defined benefit asset (liability) to be recognised	-	(405)

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	31 March 2020	31 March 2019
	(£000s)	(£000s)
Impact of asset ceiling at start of period	-	-
Effect of the asset ceiling included in net interest cost	-	-
Actuarial losses (gains) on asset ceiling	(53)	-
Impact of asset ceiling at end of period	53	-

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	31 March 2020	31 March 2019
	(£000s)	(£000s)
Defined benefit obligation at start of period	1,604	1,908
Current service cost	69	56
Expenses	1	1
Interest expense	37	42
Contributions by plan participants	28	37
Actuarial losses (gains) due to scheme experience	(129)	85
Actuarial losses (gains) due to changes in demographic assumptions	(7)	4
Actuarial losses (gains) due to changes in financial assumptions	(176)	113
Benefits paid and expenses	(154)	(642)
Liabilities acquired in a business combination	-	-
Liabilities extinguished on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Exchange rate changes	-	-
Defined benefit obligation at end of period	1,273	1,604

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2020
NOTES TO THE FINANCIAL STATEMENTS

24. RETIREMENT BENEFIT OBLIGATIONS

(Continued)

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

	31 March 2020 (£000s)	31 March 2019 (£000s)
Fair value of plan assets at start of period	1,199	1,543
Interest income	28	33
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	148	190
Contributions by the employer	77	38
Contributions by plan participants	28	37
Benefits paid and expenses	(154)	(642)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	1,326	1,199

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £176,000

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

	from 31 March 2019 to 31 March 2020 (£000s)	from 31 March 2018 to 31 March 2019 (£000s)
Current service cost	69	56
Expenses	1	1
Net interest expense	9	9
Losses (gains) on business combinations	-	-
Losses (gains) on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Defined benefit costs recognised in statement of comprehensive income (SoCI)	79	66

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2020
NOTES TO THE FINANCIAL STATEMENTS

24. RETIREMENT BENEFIT OBLIGATIONS

(Continued)

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	31 March 2020 (£000s)	31 March 2019 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	148	190
Experience gains and losses arising on the plan liabilities - gain (loss)	129	(85)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	7	(4)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	176	(113)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	460	(12)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	(53)	-
Total amount recognised in other comprehensive income - gain (loss)	407	(12)

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2020
NOTES TO THE FINANCIAL STATEMENTS

24. RETIREMENT BENEFIT OBLIGATIONS

(Continued)

ASSETS	31 March 2020 (£000s)	31 March 2019 (£000s)
Global Equity	183	193
Absolute Return	81	102
Distressed Opportunities	24	20
Credit Relative Value	32	21
Alternative Risk Premia	106	67
Fund of Hedge Funds	-	3
Emerging Markets Debt	47	38
Risk Sharing	42	35
Insurance-Linked Securities	36	31
Property	25	24
Infrastructure	78	50
Private Debt	26	15
Opportunistic Illiquid Credit	32	-
Corporate Bond Fund	97	84
Liquid Credit	35	-
Long Lease Property	32	15
Secured Income	74	42
Over 15 Year Gilts	17	31
Index Linked All Stock Gilts	-	-
Liability Driven Investment	349	427
Net Current Assets	10	1
Total assets	1,326	1,199

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	2.35	2.35
Inflation (RPI)	2.55	3.25
Inflation (CPI)	1.55	2.25
Salary Growth	2.55	3.25

Allowance for commutation of pension for cash at retirement 75% of maximum allowance 75% of maximum allowance

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

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2020
NOTES TO THE FINANCIAL STATEMENTS

24. RETIREMENT BENEFIT OBLIGATIONS

(Continued)

	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 dependant on circumstances at the date of valuation. Since the year end there has been volatility in market assumptions given the COVID19 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 liabilities.

25. CAPITAL COMMITMENTS

	2020 £	2019 £
Capital expenditure which has been contracted for but has not been provided for in the financial statements	48,951	-
Capital expenditure which has been authorised by the Management Committee but is not contracted	-	-
Funded by:		
Reserves	<u>48,951</u>	<u>-</u>