

DALMUIR PARK HOUSING ASSOCIATION LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2021**

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

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DALMUIR PARK HOUSING ASSOCIATION LIMITED

The Board of Management, Executives and Advisers For the Year Ended 31 March 2021

MEMBERS OF THE BOARD OF MANAGEMENT

Chair	Craig Edward	
Vice Chair	Jordan Henderson	
Board Member	Jack Marshall	- resigned 09/09/20
Board Member	Audrey Simpson	- resigned 09/09/20
Board Member	Ashley Stockley	- resigned 19/05/21
Board Member	Anita Williamson	- resigned 16/06/21
Board Member	Robert Murray	- resigned 18/11/20
Board Member	Ian Lennox	
Board Member	Matthew Reid	- resigned 26/01/21
Board Member	Melanie Cameron	
Board Member	Gordon Laurie	
Board Member	Karen Johnston	
Board Member	Lorraine Lester	
Board Member	Michelle Donnelly	- appointed 09/09/20
Board Member	Gavin Waddell	- appointed 17/03/21
Board Member	Gemma Connell	- appointed 17/03/21
Board Member	Nicola Gerrard	- appointed 17/03/21
Board Member	David McIndoe	- appointed 20/05/21

SECRETARY

Anne Marie Brown

EXECUTIVE OFFICERS

Chief Executive

Anne Marie Brown

REGISTERED OFFICE/PRINCIPAL ADDRESS

Beardmore House
631 Dumbarton Road
Dalmuir
Clydebank
G81 4EU

AUDITOR

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

DALMUIR PARK HOUSING ASSOCIATION LIMITED

Report from The Board of Management For the Year Ended 31 March 2021

The Board of Management presents their report and the audited Financial Statements for the year ended 31 March 2021.

Objectives and Strategy

The Association is a Registered Social Landlord and Scottish Charity. In September 2020, our Shareholding members approved revised Rules based on the SFHA's (Scottish Federation of Housing Association's) Charitable Model Rules (Scotland) 2020. 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.

A new three-year Business Plan is due to be approved by the Board of Management during the summer of 2021. The new Business Plan will reflect on the significant achievements made by the Association in the preceding three-years, with the main focus of the Plan being on moving the Association forward as we emerge from the COVID-19 pandemic.

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

The COVID-19 pandemic brought many challenges to the Association, the Board of Management, our staff, our tenants, and customers as well as to the Dalmuir community. The way the Association dealt with the challenges was testament to the strength and character of our Board members and staff.

In terms of business continuity, the Association demonstrated its resilience, and its ability to adapt to an ever-changing environment. The way the Association delivered its core services changed overnight as did our reliance on Information Technology. Office based staff have been working from home since the start of the pandemic and continue to do so. Our care services staff continued to deliver essential services to our sheltered housing tenants. We had to furlough our Dalmuir Out of Schools Care Group workers whilst the primary schools were closed, however this valued service is operational again. All our governing body meetings have been held via Microsoft Teams since April 2020 and overall, it's been a case of getting on with 'business as usual'.

In addition to DOSCG, the biggest impact COVID-19 has had on our business during last year was our inability to deliver our investment programme. We managed to deliver some planned works, but the vast majority of our investment programme is being carried forward into 2021/2022.

Report from The Board of Management - Continued For the Year Ended 31 March 2021

Throughout the last year, one of the Association's biggest focuses has been on supporting our vulnerable tenants, families, and the community to deal with the challenges that COVID-19 brought to people's lives. The Association was successful in securing almost £55,000 from a range of funders: Cash for Kids, Communities Recovery Fund, and the National Lottery, mainly for the provision of activity packs, food vouchers, provision of hot meals and electronic devices. The Association also worked jointly with another two local housing associations and secured funding of £125,649 for the provision of a part-time Tenancy Support Worker and a Digital Connector.

In addition to the above, the following is a summary of the Association's key achievements during the last year:

- Embraced new ways of working, technology, and service delivery as a result of COVID-19.
- Attracted 3 skilled and experienced new Board members.
- Our Engagement Plan published on 31 March 2021 notes that the Association is Compliant with its Regulatory and legal requirements.
- Obtained Investors in People Silver status.
- Continued to deliver our Strategic Business Objectives.
- Secured £3million private funding to deliver our investment programme from Unity Trust Bank.
- Received external assurance through our various external and internal audit processes.
- Revised our 30-year financial projections (including maintenance plans) demonstrating healthy cash-flows and no breaches of covenants.
- Had our 30-year financial projections externally validated by HRC Ltd.
- 97.82% of our tenants were satisfied with the overall service provided by DPHA.
- Approved our Asset Management Strategy and maintained our programme of policy reviews.
- Concluded our Customer Services Team staff structure review placing customers and service delivery and improvement at the heart of the process and employing a new Team Leader.
- Commenced our Feasibility Study into the development of a Dalmeir Child Care Facility.
- Procuring a new digital community alarm system for our two sheltered housing complexes.
- Held our first ever on-line AGM and SGM.

Financial Review

These financial results cover the Association's forty second year of operations. The Association made a surplus for the year of £482,568 before other comprehensive income which has resulted in Total Comprehensive Income for the year of £320,568 (2020: £386,072). During the year, £135,251, was spent on planned maintenance (which has been capitalised) bringing the total spend on our Investment Programme to £32.6 million.

Turnover of £3.9 million (2020: £3.9m) was generated in the year (of which £2.8 million relates to the income from the letting of properties at affordable rents). Rent increases during 2020/21 were 2.5%.

At 31 March 2021 £7.8 million was held in reserves.

Future Plans

Dalmeir Park Housing Association is a strong and resilient social business. However, the Board of Management 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 Dalmeir Park Housing Association continues to be a resilient and successful organisation.

Report from The Board of Management - Continued For the Year Ended 31 March 2021

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. The Board of Management has been working on the development of a new three-year Business Plan, which will come into effect in 2021.

The Board is focussed on DPHA's future; knows the strategic direction it wants to take and has been forward thinking and is prepared to explore opportunities for growth and change as long as our Vision, Values and tenants' interests are at the heart of what we do.

Risks and uncertainties

In terms of risk management, the Association has embedded its approach to risk management throughout the organisation, and this was strengthened during the year by the review of our Risk Management Policy in 2021. During the ongoing pandemic we revised our Risk Register to include a specific appendix on COVID-19, this reflects our integrated approach to risk management, business continuity and the delivery of our Strategic Objectives.

We will continue to manage key risks including:

- Impact of COVID-19
- Inflation, pay and interest rates
- Rent affordability
- Fire safety changes
- Delivering our investment programme
- Carrying out our programme of stonework repairs
- Pension liabilities
- Our out of schools care project
- Covenant compliance
- Contract management

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

Principal Activity

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 Board of Management's responsibilities

The Co-operative and Community Benefit Act 2014 and the Housing (Scotland) Act 2010 require the Board of Management to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that year. In preparing those Financial Statements, the Board of Management is required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material 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.

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Report from The Board of Management- Continued For the Year Ended 31 March 2021

The Board of Management 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 Board of Management 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 Board of Management 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 Board of Management have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's auditors are aware of that information.

Statement on Internal Financial Control

The Board of Management 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 Board of Management's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. Key elements 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 Board of Management 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 Board of Management;

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Report from The Board of Management - Continued For the Year Ended 31 March 2021

- The Board of Management 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.

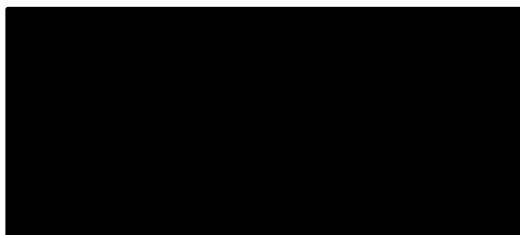
The Board of Management has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2021. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Independent Auditor

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

By order of the Board of Management

Signature

A large black rectangular redaction box covering the signature area.

Craig Edward
Chair

Date: 26 August 2021

DALMUIR PARK HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE BOARD OF MANAGEMENT OF DALMUIR PARK HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 March 2021

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 7 and 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.

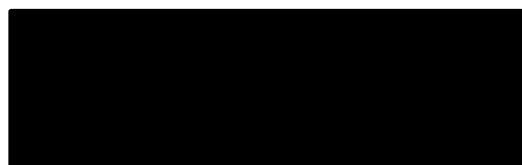
Basis of Opinion

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 pages 7 and 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 Board of Management and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that The Board of Management's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls 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 Auditor
133 Finnieston Street
GLASGOW
G3 8HB

Date: 3 September 2021

DALMUIR PARK HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS REPORT TO THE BOARD OF MANAGEMENT OF DALMUIR PARK HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021

OPINION

We have audited the financial statements of Dalmuir Park Housing Association Limited for the year ended 31 March 2021 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 2021 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

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

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

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

OTHER INFORMATION

The other information comprises the information contained in the trustees' report, other than the financial statements and our auditor's report thereon. The board members are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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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 Board of Management'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 Board of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Management 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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

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

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

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

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

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

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

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

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

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

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

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 Auditor
133 Finnieston Street
GLASGOW
G3 8HB

Date: 3 September 2021

DALMUIR PARK HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2021

	Notes	£	2021 £	£	Restated 2020 £
REVENUE	2		3,883,455		3,879,588
Operating Costs	2		(3,399,726)		(3,876,304)
OPERATING SURPLUS	8		483,729		3,284
Loss on Sale of Property, Plant & Equipment	7	(1,761)		(23,945)	
Interest Receivable and Other Income		600		8,733	
Other Finance Charges	10	-		(9,000)	
			(1,161)		(24,212)
SURPLUS/(DEFICIT) FOR YEAR			482,568		(20,928)
OTHER COMPREHENSIVE INCOME	22				
Actuarial gain/(loss) in respect of pension scheme			(162,000)		407,000
TOTAL COMPREHENSIVE INCOME			320,568		386,072

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 2021

	Notes	£	2021 £	£	Restated 2020 £
NON-CURRENT ASSETS					
Housing Properties – Depreciated Cost	11 (a)		19,033,437		19,721,580
Other Tangible Fixed Assets	11 (b)		159,822		222,851
			<u>19,193,259</u>		<u>19,944,431</u>
CURRENT ASSETS					
Trade and Other Debtors	13	303,813		339,871	
Cash and Cash Equivalents		2,663,765		1,969,428	
			<u>2,967,578</u>	<u>2,309,299</u>	
CREDITORS: Amounts falling due within one year	14	(703,315)		(622,751)	
			<u>2,264,263</u>		<u>1,686,548</u>
NET CURRENT ASSETS					
			<u>21,457,522</u>		<u>21,630,975</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Provision for Liabilities	22	(105,000)			-
DEFERRED INCOME					
Social Housing Grants	17(a)	(13,439,900)		(14,031,717)	
Other Grants	17(b)	(161,781)		(168,978)	
			<u>7,750,841</u>		<u>7,430,284</u>
NET ASSETS					
EQUITY					
Share Capital	18		104		115
Revenue Reserves			<u>7,750,737</u>		<u>7,430,169</u>
			<u>7,750,841</u>		<u>7,430,284</u>

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



Craig Edward
Chair



Jordan Henderson
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 2021**

	Notes	£	2021 £	£	2020 £
Net Cash Inflow from Operating Activities	15		896,657		584,679
Investing Activities					
Purchase of Other Fixed Assets		(8,925)		(9,531)	
Purchase of Component Installations		(135,251)		(782,144)	
Purchase of Housing Properties		(58,750)		(35,750)	
Net Cash Outflow from Investing Activities			(202,926)		(827,425)
Financing Activities					
Interest Received		600		8,733	
Interest Paid on Loans		-		-	
Loan Principal Repayments		-		-	
Withdrawal from Investments		-		-	
Share Capital Issued		6		7	
Net Cash Inflow from Financing			<u>606</u>		<u>8,740</u>
Increase/(Decrease) in Cash & Cash Equivalents			694,337		(234,006)
Opening Cash & Cash Equivalents			<u>1,969,428</u>		<u>2,203,434</u>
Closing Cash & Cash Equivalents			<u>2,663,765</u>		<u>1,969,428</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 2021

	Note	Share Capital £	Revenue Reserve £	Total £
Balance as at 31 March 2020		115	7,676,815	7,767,930
Prior Year Adjustment	24	-	(246,646)	(246,646)
Balance as at 31 March 2020 - Restated		115	7,430,169	7,430,284
Issue of Shares		6		6
Cancelled in the year		(17)		(17)
Surplus for the year			482,568	482,568
Other comprehensive income			(162,000)	(162,000)
Balance as at 31 March 2021		104	7,750,737	7,750,841

		Share Capital £	Revenue Reserve £	Total £
Balance as at 31 March 2019		123	7,282,321	7,282,444
Prior Year Adjustment	24	-	(238,224)	(238,224)
Balance as at 31 March 2019 – Restated		123	7,044,097	7,044,220
Issue of Shares		7		7
Cancelled in the year		(15)		(15)
Loss for the year			(20,928)	(20,928)
Other Comprehensive Income			407,000	407,000
Balance as at 31 March 2020 - Restated		115	7,430,169	7,430,284

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2021
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 Board of Management 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
Roof Replacements	30 years

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2021
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 ⅔% Straight Line
Computers and other Office Equipment	20% Straight Line
Furniture and Fittings	15% Reducing Balance
Furniture for Furnished Accommodations	33 ⅓% 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 Board of Management 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 2021
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.

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 Board of Management 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 2021 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	2021			Restated 2020		
		Revenue £	Operating Costs £	Operating Surplus / (Deficit) £	Revenue £	Operating Costs £	Operating Surplus / (Deficit) £
Social Lettings	3	3,389,161	2,887,753	501,408	3,338,739	3,346,125	(7,386)
Other Activities	4	494,294	511,973	(17,679)	540,849	530,179	10,670
Total		3,883,455	3,399,726	483,729	3,879,588	3,876,304	3,284

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2021
NOTES TO THE FINANCIAL STATEMENTS

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing £	Supported Housing £	Shared ownership £	2021 Total £	Restated 2020 Total £
Revenue from Lettings					
Rent Receivable Net of Identifiable Service Charges	2,207,060	254,649	37,954	2,499,663	2,442,042
Service Charges Receivable	271,441	22,166	-	293,607	292,002
Gross Rents Receivable	2,478,801	276,815	37,954	2,793,270	2,734,044
Less: Rent losses from voids	(19,109)	(8,242)	-	(27,351)	(19,951)
Net Rents Receivable	2,459,392	268,573	37,954	2,765,919	2,714,093
Amortisation of Social Housing Grants and Other Grants	590,057	-	8,957	599,014	599,014
Revenue Grants from Local Authorities and Other Agencies	24,228	-	-	24,228	25,632
Total Income From Social Letting	3,073,677	268,573	46,911	3,389,161	3,338,739
Expenditure on Social Letting Activities					
Service Costs	314,588	36,229	-	350,817	343,635
Management and maintenance administration costs	892,296	95,821	11,559	999,676	1,065,326
Reactive Maintenance	308,493	32,547	-	341,040	461,992
Bad Debts – Rents and Service Charges	8,040	-	-	8,040	89,248
Planned and Cyclical Maintenance, including Major Repairs	296,108	11,690	-	307,798	441,893
Depreciation of Social Housing	867,143	4,481	8,758	880,382	944,031
Operating Costs of Social Letting	2,686,668	180,768	20,317	2,887,753	3,346,125
Operating Surplus/(Deficit) on Social Letting Activities	387,009	87,805	26,594	501,408	(7,386)
2020 Restated	(115,373)	86,149	21,838	(7,386)	

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2021
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) 2021	Operating Surplus / (Deficit) 2020 Restated
	£	£	£	£	£	£	£	£
Wider Role Activities	39,794	-	1,910	41,704	-	57,523	(15,819)	(13,352)
Care Activities	43,192	90,252	188,492	321,936	200	336,216	(14,480)	26,959
Factoring	-	-	125,571	125,571	35	91,453	34,083	19,014
Other Activities	1,000	-	4,083	5,083	-	26,546	(21,463)	(21,951)
Total From Other Activities	83,986	90,252	320,056	494,294	235	511,738	(17,679)	10,670
2020 Restated	2,402	90,624	447,823	540,849	834	529,345	10,670	

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2021
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 Board of Management, managers and employees of the Association.

No emoluments have been paid to any member of the Board of Management

Aggregate emoluments payable to Key Management Personnel greater than £60,000 (excluding pension contributions)

Emoluments payable to the Chief Executive/Director (excluding pension contributions)

Pension Contributions paid on behalf of Chief Executive/ Director

Total Emoluments payable to Chief Executive/Director

	2021	2020
	£	£
	-	-
	68,969	72,753
	8,055	1,811
	<u>77,024</u>	<u>74,564</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	1	-
£70,001 - £80,000	-	-
£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 £0 (2020 - £2,234)

6. EMPLOYEE INFORMATION

	2021	2020
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	<u>25</u>	<u>26</u>
The average total number of Employees employed during the year was	33	33
Staff Costs were:	£	£
Wages and Salaries	719,587	707,761
Social Security Costs	61,127	58,123
Other Pension Costs	68,481	63,400
Agency Staff	56,704	18,457
	<u>905,899</u>	<u>847,742</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2021
NOTES TO THE FINANCIAL STATEMENTS

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

	2021	2020
	£	£
Proceeds from Sale	-	-
Cost of Sale	1,761	23,945
(Loss) on Sale	<u>(1,761)</u>	<u>(23,945)</u>

8. OPERATING SURPLUS

	2021	2020
	£	£
Surplus is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	952,336	1,020,851
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>9,202</u>	<u>9,060</u>

9. 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.

10. OTHER FINANCE CHARGES

	2021	2020
	£	£
Unwinding of the pension	<u>-</u>	<u>(9,000)</u>

11. FIXED ASSETS

a) Housing Properties	Housing Properties Held for Letting	Completed Shared Ownership Properties	Total
	£	£	£
COST			
As at 1 April 2020	31,592,512	815,292	32,407,804
Additions	194,001	-	194,001
Disposals	(5,239)	-	(5,239)
Transferred	62,969	(62,969)	-
As at 31 March 2021	<u>31,844,243</u>	<u>752,323</u>	<u>32,596,566</u>
DEPRECIATION			
As at 1 April 2020	12,496,329	189,895	12,686,224
Charge for Year	871,624	8,758	880,382
Disposals	(3,477)	-	(3,477)
Transferred	14,921	(14,921)	-
As at 31 March 2021	<u>13,379,397</u>	<u>183,732</u>	<u>13,563,129</u>
NET BOOK VALUE			
As at 31 March 2021	<u>18,464,846</u>	<u>568,591</u>	<u>19,033,437</u>
As at 31 March 2020	<u>19,096,183</u>	<u>625,397</u>	<u>19,721,580</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2021
NOTES TO THE FINANCIAL STATEMENTS

11. FIXED ASSETS (Continued.)

a) Housing Properties (Continued.)

Total expenditure on existing properties in the year amounted to £784,089 (2020 - £1,161,097). The amount capitalised as component replacements is £135,251 (2020- £782,145), with the balance charged to the Statement of Comprehensive Income. The additions above of £194,001 also include the buy back of additional units of £58,750.

b) Other Tangible Assets	Office Furniture & Equipment	Commercial Property	Total
	£	£	£
COST			
As at 1 April 2020	1,001,934	396,913	1,398,847
Additions	8,925	-	8,925
Eliminated on Disposals	-	-	-
As at 31 March 2021	<u>1,010,859</u>	<u>396,913</u>	<u>1,407,772</u>
AGGREGATE DEPRECIATION			
As at 1 April 2020	826,947	349,049	1,175,996
Charge for year	45,493	26,461	71,954
Eliminated on disposal	-	-	-
As at 31 March 2021	<u>872,440</u>	<u>375,510</u>	<u>1,247,950</u>
NET BOOK VALUE			
As at 31 March 2021	<u>138,419</u>	<u>21,403</u>	<u>159,822</u>
As at 31 March 2020	<u>174,987</u>	<u>47,864</u>	<u>222,851</u>

12. COMMITMENTS UNDER OPERATING LEASES

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

	2021	2020
	£	£
Not later than one year	205	273
Later than one year and not later than five years	-	752
Later than five years	-	-
	<u>205</u>	<u>1,025</u>

13. DEBTORS

	2021	2020
	£	£
Arrears of Rent & Service Charges	288,749	270,232
Less: Provision for Doubtful Debts	(94,000)	(94,000)
Net Rent Arrears	<u>194,749</u>	<u>176,232</u>
Other Receivables	<u>109,064</u>	<u>163,639</u>
	<u>303,813</u>	<u>339,871</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2021
NOTES TO THE FINANCIAL STATEMENTS

14. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	Restated £
Trade Payables	264,154	211,914
Rent in Advance	98,562	81,247
Other Creditors	330,476	319,893
Accruals	10,123	9,697
	<u>703,315</u>	<u>622,751</u>

15. STATEMENT OF CASHFLOWS

Reconciliation of Surplus to balance as at 31 March 2021

	2021	2020
	£	Restated £
Operating Surplus	483,729	3,284
Depreciation	952,336	1,020,851
Amortisation of Capital Grants	(599,014)	(599,014)
Change in debtors	36,058	42,153
Change in creditors	80,564	124,420
Past Service Pension Deficit Contribution	(59,392)	(39,689)
Pension Scheme Service Costs	23,000	69,000
Pension Scheme Valuation Adjustments	(20,607)	(36,311)
Cancelled Shares	(17)	(15)
Balance as at 31 March 2021	<u>896,657</u>	<u>584,679</u>

16. ANALYSIS OF CHANGES IN CASHFLOWS

	April 2020	Cashflows	March 2021
	£	£	£
Cash and Cash Equivalents			
Cash at Bank	1,969,418	694,347	2,663,765
Cash Equivalents	-	-	-
Net Debt	-	-	-
Total	<u>1,969,418</u>	<u>694,347</u>	<u>2,663,765</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2021
NOTES TO THE FINANCIAL STATEMENTS

17. DEFERRED INCOME

	2021	2020
	£	£
<i>a) Social Housing Grants</i>		
As at 1 April 2020	14,031,717	14,623,534
Additions in year	-	-
Released / Repaid as the result of property disposal	-	-
Amortisation in Year	(591,817)	(591,817)
As at 31 March 2021	<u>13,439,900</u>	<u>14,031,717</u>
 <i>b) Other Grants</i>		
Balance as at 1 April 2020	168,978	176,175
Additions in year	-	-
Released / Repaid as the result of property disposal	-	-
Amortisation in Year	(7,197)	(7,197)
As at 31 March 2021	<u>161,781</u>	<u>168,978</u>

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

Amounts due within one year	597,314	599,014
Amounts due in one year or more	<u>13,004,367</u>	<u>13,601,681</u>
	<u>13,601,681</u>	<u>14,200,695</u>

18. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 31 March 2020	115
Issued in year	6
Cancelled in year	(17)
At 31 March 2021	<u>104</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on a winding up. When a shareholder ceases to be a member that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings.

19. HOUSING STOCK

The number of units of accommodation in management at the year-end was:-	2021	2020
	No.	No.
General Needs - New Build	135	134
- Rehabilitation	464	463
Shared Ownership	20	22
Supported Housing	70	70
	<u>689</u>	<u>689</u>

20. RELATED PARTY TRANSACTIONS

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

The related party relationships of the members of the Board of Management are summarised as:

- Members are tenants of the Association - 2
- Members are factored owners - 0
- Board of Management members cannot use their position to their advantage. Any transactions between the Association and any entity with which a Board of Management member has a connection with is made at arm's length and is under normal commercial terms.
- Transactions with Board of Management members were as follows:

Rent Received from Tenants on the Board : £14,203

- At the year- end total rent arrears owed by the tenant members of the Board were £0

21. 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 Beardmore House, 631 Dumbarton Road, Clydebank, G81 4EU.

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

The Association is a Registered Society with the Scottish Property Factors Register and is domiciled in Scotland.

22. RETIREMENT BENEFIT OBLIGATIONS

General

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

The Scheme is a defined benefit scheme in the UK. The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005.

This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK. The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m.

A Recovery Plan has been put in place to eliminate the deficit which 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.

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2021
NOTES TO THE FINANCIAL STATEMENTS

22. RETIREMENT BENEFIT OBLIGATIONS

(Continued)

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, and as at 30 September 2020 to inform the liabilities for accounting year ends from 31 March 2021 to 28 February 2022.

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

Pension Scheme Liability movements:

	2021	2020
	£	£
As at 1 April 2020	-	405,000
Increase in liability for change in accounting treatment	-	-
Current Service Cost	23,000	69,000
Net Interest expense	-	9,000
Expenses	1,978	1,192
Deficit Contributions Paid	(59,392)	(39,689)
Impact of change in assumptions	317,000	(183,000)
Amendment to the contribution schedule	(177,586)	(261,503)
As at 31 March 2021	<u>105,000</u>	<u>-</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
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22. RETIREMENT BENEFIT OBLIGATIONS

(Continued)

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

	31 March 2021	31 March 2020
	(£000s)	(£000s)
Fair value of plan assets	1,546	1,326
Present value of defined benefit obligation	1,651	1,273
Surplus (deficit) in plan	(105)	53
Unrecognised surplus	-	53
Defined benefit asset (liability) to be recognised	(105)	-

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	31 March 2021	31 March 2020
	(£000s)	(£000s)
Impact of asset ceiling at start of period	53	-
Effect of the asset ceiling included in net interest cost	2	-
Actuarial losses (gains) on asset ceiling	(55)	(53)
Impact of asset ceiling at end of period	-	53

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	31 March 2021	31 March 2020
	(£000s)	(£000s)
Defined benefit obligation at start of period	1,273	1,604
Current service cost	23	69
Expenses	2	1
Interest expense	30	37
Contributions by plan participants	20	28
Actuarial losses (gains) due to scheme experience	12	(129)
Actuarial losses (gains) due to changes in demographic assumptions	-	(7)
Actuarial losses (gains) due to changes in financial assumptions	317	(176)
Benefits paid and expenses	(26)	(154)
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	1,651	1,273

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22. RETIREMENT BENEFIT OBLIGATIONS

(Continued)

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

	31 March 2021 (£000s)	31 March 2020 (£000s)
Fair value of plan assets at start of period	1,326	1,199
Interest income	32	28
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	112	148
Contributions by the employer	82	77
Contributions by plan participants	20	28
Benefits paid and expenses	(26)	(154)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	1,546	1,326

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £144,000

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

	from 31 March 2020 to 31 March 2021 (£000s)	from 31 March 2019 to 31 March 2020 (£000s)
Current service cost	23	69
Expenses	2	1
Net interest expense	-	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)	25	79

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22. RETIREMENT BENEFIT OBLIGATIONS

(Continued)

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	31 March 2021 (£000s)	31 March 2020 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	112	148
Experience gains and losses arising on the plan liabilities - gain (loss)	(12)	129
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	-	7
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(317)	176
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(217)	460
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	55	(53)
Total amount recognised in other comprehensive income - gain (loss)	(162)	407

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22. RETIREMENT BENEFIT OBLIGATIONS

(Continued)

ASSETS	31 March 2021	31 March 2020
	(£000s)	(£000s)
Global Equity	239	183
Absolute Return	76	81
Distressed Opportunities	53	24
Credit Relative Value	45	32
Alternative Risk Premia	62	106
Fund of Hedge Funds	-	-
Emerging Markets Debt	62	47
Risk Sharing	55	42
Insurance-Linked Securities	32	36
Property	28	25
Infrastructure	86	78
Private Debt	36	26
Opportunistic Illiquid Credit	40	32
High Yield	41	-
Opportunistic Credit	42	-
Cash	1	-
Corporate Bond Fund	117	97
Liquid Credit	27	35
Long Lease Property	36	32
Secured Income	85	74
Over 15 Year Gilts	1	17
Index Linked All Stock Gilts	-	-
Liability Driven Investment	371	349
Net Current Assets	11	10
Total assets	1,546	1,326

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

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22. RETIREMENT BENEFIT OBLIGATIONS

(Continued)

KEY ASSUMPTIONS

	31 March 2021	31 March 2020
	% per annum	% per annum
Discount Rate	2.22	2.35
Inflation (RPI)	3.21	2.55
Inflation (CPI)	2.87	1.55
Salary Growth	3.87	2.55
Allowance for commutation of pension for cash at retirement	75% of maximum allowance 75% of maximum allowance	

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2020	21.5
Female retiring in 2020	23.4
Male retiring in 2040	22.8
Female retiring in 2040	25.0

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.

23. CAPITAL COMMITMENTS

	2021	2020
	£	£
Capital expenditure which has been contracted for but has not been provided for in the financial statements	92,000	48,951
Capital expenditure which has been authorised by the Board of Management but is not contracted	-	-
Funded by:		
Reserves	<u>92,000</u>	<u>48,951</u>

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24. PRIOR YEAR ADJUSTMENT

In prior years the association has recognised a full months rental income in line with the due date per the tenancy agreements but has not deferred amounts relating to future periods as required by the accruals basis of accounting. The net impact on net assets is to reduce the brought forward revenue reserve in the current year by £246,646 (2020 reduce by £238,224). The net effect on the surplus in 2020 was a decrease of £8,422.