



Alexander Sloan
Accountants and Business Advisers

Glasgow West Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2019

Registered Housing Association No. HEP126

FCA Reference No. 1955R(S)

Scottish Charity No. SCO01667

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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GLASGOW WEST HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS YEAR ENDED 31 MARCH 2019

MANAGEMENT COMMITTEE

Steve Jenkins	Chairperson
Joe Heaney	Vice Chairperson
James Michael	Secretary
Joginder Makar	Treasurer
Yushin Toda	
Moira Wadsworth	
Hanif Mirza	
Margaret Semple	Resigned 25/6/2018
Susan Mosedale	Resigned 22/5/2018
Mirosława Trzeciak	
Nina MacNeill	
Tony Keane	Appointed 25/6/2018

EXECUTIVE OFFICERS

Linda Reid	Chief Executive - Resigned 31/10/2018
Elaine Travers	Chief Executive - Appointed 17/09/2018
Anne Allan	Corporate Director
Sandy Welsh	Services Director - Appointed 25/09/2018

REGISTERED OFFICE

5 Royal Crescent
Glasgow
G3 7SL

EXTERNAL AUDITORS

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

INTERNAL AUDITORS

Quinn Internal Audit Services Ltd
55 Lady Place
Livingston
EH54 6TB

BANKERS

Clydesdale Bank
326 Byres Road
Glasgow
G12 8AN

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

GLASGOW WEST HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019

The Management Committee presents its report and the Financial Statements for the year ended 31 March 2019.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.1955R(S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SCO01667.

Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation.

Review of Business and Future Developments

As we bid a fond farewell to our 40th anniversary year, we have reminisced with great pride an organisation that has grown from its humble beginnings in 1978, to become a significant community controlled, charitable housing services provider in the West of Glasgow; traditionally punching well above its weight in both service and governance standards. Prudent management and sound fiscal planning ensure continued strong financial performance; and Members of the Management Committee are satisfied with the state of affairs. Net current assets now stand at £23.1m; and the surplus for the year will be held in reserves to fund major repairs.

The prudent investment of tenant's rent money is a key priority. In the last year, 402 properties benefitted from £1.19m investment works, which included kitchens, bathrooms, windows and lift renewals; and, through our partnership with key stakeholders, 175 households in the Anderston area now enjoy improved waste management services in a programme that we hope to roll out, alongside environmental improvements, across other GW developments.

By the end of March 2019, 84% of our homes achieved the Scottish Housing Quality Standard (SHQS) and 58% the Energy Efficiency Standard for Social Housing (EESH); and we continue in our endeavours to work with others to preserve the heritage of our traditional housing stock; and to seek out solutions that overcome the energy efficiency challenges of our complex construction types. Lessons from the Grenfell tragedy have served to enhance health and safety standards across the sector, and we are now gearing up to ensure compliance with the stricter smoke and fire provisions introduced in amended legislation.

After much scrutiny and due diligence, and with generous funding support from Glasgow City Council, we are delighted to report a "green light" for the Dover Street development, with this two-year construction programme delivering 55 much-needed affordable homes for rent in 2021. Disappointingly, progress at the Burnbank House site, which we are developing in partnership with Queens Cross Housing Association, has slowed down due to a complex Title issue requiring a compulsory purchase order: a process that we know from experience could take quite some time to resolve.

On a more optimistic note, our three remodelling projects are well advanced and will provide two self-contained units and 10 supported bed-spaces for occupation in the summer of 2019; and separately, we anticipate making a decision this year on the development of the Corunna Street site.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019

Review of Business and Future Developments (Continued)

With ever increasing pressure on household incomes, rent affordability remains of critical importance. As an interim measure towards the restructuring of rents, and with the support of 87.5% of tenants responding to the consultation, a two-pronged rent increase was implemented for 2019/20. This translated to 1% for the 800+ households with the most pressurized rents; and 3.5% for the remainder.

Performance in our core business areas of rent collection, re-let times and void rent loss remains strong, despite the impact of Universal Credit and an increased turnover in properties during 2018/19; and our robust strategies, and tenancy sustainment focus, will ensure our journey towards performance leadership progresses at an appropriate pace. At our 19th Annual Tenants' Conference we launched our Save with Rent Scheme: a partnership with Glasgow Credit Union that incentivises tenants to generate savings by paying a little extra with each rent payment, and we continue to support our community through a range of initiatives including Cash For Kids, Rent Reward Scheme, Festive Gifts, Bookworms and Garden grants.

Efficiencies continue to be achieved; and our commitment to procurement capability improvement was commended following our participation in the Scottish Government's Procurement Improvement Programme. Our extensive work in ensuring compliance with the revised data protection regulations was similarly acknowledged in an independent systems audit; and our culture of robust governance, forward planning, routine self-assessment and performance focus provide a strong platform and readiness for the challenges of operating in an ever changing sector: including demonstrating compliance with the Housing (Scotland) Act 2014; preparations for the Scottish Housing Regulator's revised regulatory framework; and, from November 2019, the extension of Freedom of Information to RSLs.

Another challenging and successful year is attributed to ongoing stakeholder engagement, the broad range of skills and experience of Committee members, and the well-led, highly competent and service driven staff. We are optimistic that participants in our most recent Committee Training Forum will consider nomination to our Management Committee to ensure a smooth transition in our succession planning; and with GWhA's experienced Services Director picking up the reigns following the retirement of the long-standing Chief Executive during 2018, the risk to business continuity was mitigated and vision-focus retained. As we look forward now to our 50th anniversary, this provides a sound basis for delivering GWhA's vision and mission through sustainable corporate strategies supporting and delivering Service Enhancement, Robust Governance and Optimum Performance.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019

Management Committee and Executive Officers

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

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

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

Statement of Management Committee's Responsibilities

The Co-operative and Community Benefit Act 2014 requires 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 period. 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 2014 and the Determination of Accounting Requirements 2019. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

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

In so far as the Management Committee are aware:

- There is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Association's 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.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019

Statement on Internal Financial Control

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

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

It is the Management Committee's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial 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;
- 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 2019. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Donations

During the year the Association made charitable donations amounting to £nil (2018 - £118).

Auditors

A resolution to re-appoint the Auditors, Alexander Sloan, Accountants and Business Advisers, will be proposed at the Annual General Meeting.

By order of the Management Committee


JAMES MICHAEL

Secretary

18 June 2019

GLASGOW WEST HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE MEMBERS OF GLASGOW WEST HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on page 5 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication 'Regulation of Social Housing in Scotland' 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 5 has provided the disclosures required by the relevant Regulatory Standards within the publication 'Regulation of Social Housing in Scotland' 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.

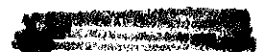
Through enquiry of certain members of the Management Committee, and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information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



ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
GLASGOW
18 June 2019



Alexander Sloan
Accountants and Business Advisers



GLASGOW WEST HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLASGOW WEST HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Glasgow West Housing Association Limited (the 'Association') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

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

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Management Committee.

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

- proper books of account have not been kept by the Association in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation;
- the Statement of Comprehensive Income and Statement of Financial Position are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLASGOW WEST HOUSING ASSOCIATION LIMITED (Continued)

Responsibilities of the Management Committee

As explained more fully in the Statement of Management Committee's Responsibilities as set out on Page 4, the Management Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 a 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.
- Conclude on the appropriateness of the Management Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Association's audit. We remain solely responsible for our audit opinion.

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.



ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
GLASGOW
18 June 2019



Alexander Sloan
Accountants and Business Advisers

GLASGOW WEST HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019	2018
		£	£
REVENUE	2	7,522,315	7,312,772
Operating Costs	2	(6,537,060)	(6,015,981)
OPERATING SURPLUS		985,255	1,296,791
Gain On Sale Of Housing Stock	7	43,300	37,993
Defined Benefit Pension Scheme - Other Finance Loss	25	-	(17,000)
Interest Receivable and Other Income		192,766	162,925
Interest Payable and Similar Charges	8	(38,721)	(32,221)
Other Finance Income / (Charges)	10	(22,000)	(2,049)
		175,345	149,648
SURPLUS FOR THE YEAR	9	1,160,600	1,446,439
Other comprehensive income			
Adjustment relating to Opening Pension Liability		(498,725)	-
Actuarial Gains/(Losses) on defined benefit Pension Plan		(126,000)	676,000
TOTAL COMPREHENSIVE INCOME		535,875	2,122,439

The notes on pages 13 to 35 form part of these financial statements.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
NON-CURRENT ASSETS					
Housing Properties - Depreciated Cost	11 (a)		37,736,112		38,384,718
Other Non-current Assets	11 (b)		39,072		50,898
			<u>37,775,184</u>		<u>38,435,616</u>
INVESTMENTS					
Investment in subsidiaries	23	1		1	
Investment properties	23	304,000		304,000	
			<u>304,001</u>		<u>304,001</u>
CURRENT ASSETS					
Receivables	13	341,241		393,725	
Investments	23	22,975,126		19,980,758	
Cash at bank and in hand		966,930		2,669,259	
		<u>24,283,297</u>		<u>23,043,742</u>	
CREDITORS: Amounts falling due within one year	14	<u>(1,228,189)</u>		<u>(1,348,777)</u>	
NET CURRENT ASSETS			<u>23,055,108</u>		<u>21,694,965</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			61,134,293		60,434,582
CREDITORS: Amounts falling due after more than one year	15		<u>(2,085,054)</u>		<u>(2,702,135)</u>
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish Housing Association Pension Scheme	25	<u>(1,164,000)</u>		-	
			<u>(1,164,000)</u>		<u>-</u>
DEFERRED INCOME					
Social Housing Grants	17	(26,477,206)		(26,836,336)	
Other Grants	17	(35,407)		(39,342)	
			<u>(26,512,613)</u>		<u>(26,875,678)</u>
NET ASSETS			<u>31,392,626</u>		<u>30,856,769</u>
EQUITY					
Share Capital	18		159		177
Revenue Reserves			32,556,467		30,856,592
Pension Reserves			(1,164,000)		-
			<u>31,392,626</u>		<u>30,856,769</u>

The Financial Statements were approved by the Management Committee and authorised for issue and signed on their behalf on 18 June 2019.


Chairperson


Treasurer


Secretary

The notes on pages 13 to 35 form part of these financial statements.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019	2018
		£	£
Net cash inflow from operating activities	16	1,162,228	1,596,271
Investing Activities			
Acquisition and Construction of Properties	(549,275)	(342,625)	
Purchase of Other Fixed Assets	(22,197)	(4,488)	
Social Housing Grant Received	627,862	454,253	
Changes on short term deposits with banks	(2,994,368)	(837,760)	
Proceeds on Disposal of Properties	43,300	76,924	
Net cash outflow from investing activities		(2,894,678)	(653,696)
Financing Activities			
Interest Received on Cash and Cash Equivalents	192,766	162,925	
Interest Paid on Loans	(1,331)	(32,221)	
Loan Principal Repayments	(161,319)	(161,863)	
Share Capital Issued	5	12	
Net cash inflow / (outflow) from financing activities		30,121	(31,147)
(Decrease) / increase in cash		(1,702,329)	911,428
Opening Cash & Cash Equivalents		2,669,259	1,757,831
Closing Cash & Cash Equivalents		966,930	2,669,259
Cash and Cash equivalents as at 31 March			
Cash		966,930	2,669,259
		966,930	2,669,259

The notes on pages 13 to 35 form part of these financial statements.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2019

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 31 March 2017				
Issue of Shares	202	-	28,734,153	28,734,355
Cancellation of Shares	12	-	-	12
Other comprehensive income	(37)	-	-	(37)
Surplus for the year	-	-	676,000	676,000
	-	-	1,446,439	1,446,439
Balance as at 31 March 2018	<u>177</u>	<u>-</u>	<u>30,856,592</u>	<u>30,856,769</u>
Balance as at 1 April 2018	177	-	30,856,592	30,856,769
Issue of Shares	5	-	-	5
Cancellation of Shares	(23)	-	-	(23)
Other comprehensive income	-	(1,164,000)	539,275	(624,725)
Surplus for the year	-	-	1,160,600	1,160,600
Balance as at 31 March 2019	<u>159</u>	<u>(1,164,000)</u>	<u>32,556,467</u>	<u>31,392,626</u>

The notes on pages 13 to 35 form part of these financial statements.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance

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 - Accounting by Registered Social Landlords 2014. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2015.

Basis of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords 2014, and on the historical cost basis. They also comply with the Determination of Accounting Requirements 2019. A summary of the more important accounting policies is set out below.

Basis of Consolidation

The Association has obtained exemption from the Financial Conduct Authority from producing Consolidated Financial Statements as provided by Section 99 of the Co-operative and Community Benefit Societies Act 2014. The financial statements for Glasgow West Housing Association Limited present information about it as an individual undertaking and not about the group.

Revenue

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

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

Retirement Benefits

The Association participates in the Strathclyde Pension Fund 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 organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102.

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

Valuation Of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 11. 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
Roof	50 years
Structure	50 years
Cladding	40 years
Central Heating System	30 years
Doors	30 years
Rewiring	30 years
Bathrooms	25 years
Windows	25 years
Boilers	15 years
Kitchens	15 years

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES

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:

Asset Category	Depreciation Rate
Office Premises	4%
Fixtures and Fittings	20%
Computer Equipment	33%

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

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 they relate.

Social Housing Grant attributed to individual components is written off to the Statement of Comprehensive Income when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Statement of Comprehensive Income in the same period 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 costs. 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 non-current asset disposals and any gain or 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.

Taxation

The Association is a Registered Scottish Charity and is not liable to taxation on its charitable activities.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES

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.

Capitalisation Of Development Overheads

Directly attributable development administration costs relating to development activities are capitalised in accordance with the Statement of Recommended Practice.

Development Interest

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

Service Charge Sinking Funds

The Association receives a service charge from owner occupiers to fund future planned maintenance, cyclical maintenance and car park costs. In accordance with the Statement of Recommended Practice the balance of unspent service income is included as a liability where amounts are repayable or contributions are reduced.

Property Development Cost

The proportion of the development cost of shared ownership properties expected to be disposed of as a first tranche sale is held in current assets until it is disposed of. The remaining part of the development cost is treated as a fixed asset. Surpluses made on the disposal of first tranche sales are taken to the Statement of Comprehensive Income in accordance with the Statement of Recommended Practice.

Property developments that are intended for resale are included in current assets until disposal.

VAT

The Association is VAT registered but a large proportion of its income is exempt for VAT purposes. As a result most of the VAT paid is not recovered and therefore expenditure is shown inclusive of VAT.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES

Key Judgements made in the application of Accounting Policies

a) The Categorisation of Housing Properties

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

b) Identification of cash generating units

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

c) Pension Liability

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

Financial Instruments - Basic

The Association classes all of its loans as basic financial instruments including agreements with break clauses. The Association recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

The Association's debt instruments are measured at amortised cost using the effective interest rate method.

Estimation Uncertainty

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

a) Rent Arrears - Bad Debt Provision

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

b) Life Cycle of Components

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

c) Useful life of properties, plant and equipment

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

d) Costs of shared ownership

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

e) Defined pension liability

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

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

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

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Notes	2019			2018		
	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities 3	7,341,204	6,338,705	1,002,499	7,128,259	5,815,861	1,312,398
Other Activities 4	181,111	198,355	(17,244)	184,513	200,120	(15,607)
Total	7,522,315	6,537,060	985,255	7,312,772	6,015,981	1,296,791

3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Shared Ownership £	2019 Total £	2018 Total £
Revenue from Lettings				
Rent receivable net of service charges	6,311,547	5,369	6,316,916	6,110,040
Service charges receivable	188,334	-	188,334	186,585
Gross income from rent and service charges	6,499,881	5,369	6,505,250	6,296,625
Less: Rent losses from voids	74,454	-	74,454	79,271
Net Rents Receivable	6,425,427	5,369	6,430,796	6,217,354
Grants released from deferred income	910,408	-	910,408	910,905
Total turnover from affordable letting activities	7,335,835	5,369	7,341,204	7,128,259
Expenditure on affordable letting activities				
Management and maintenance administration costs	2,603,454	-	2,603,454	2,593,725
Service Costs	253,980	-	253,980	269,270
Planned and cyclical maintenance, including major repairs	1,231,484	-	1,231,484	886,197
Reactive maintenance costs	1,037,353	-	1,037,353	835,287
Bad Debts - rents and service charges	14,553	-	14,553	13,377
Depreciation of affordable let properties	1,195,392	2,489	1,197,881	1,218,005
Operating costs of affordable letting activities	6,336,216	2,489	6,338,705	5,815,861
Operating surplus on affordable letting activities	999,619	2,880	1,002,499	1,312,398
2018	1,309,631	2,767		

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Grants From Scottish Ministers	Other Income	Total Turnover	Operating Costs Bad Debts	Operating Costs Other	Operating Surplus / (Deficit) 2019	Operating Surplus / (Deficit) 2018
	£	£	£	£	£	£	£
Investment Property Activities	-	44,765	44,765	-	14,234	30,531	27,258
Uncapitalised development administration costs	-	-	-	-	56,242	(56,242)	(37,159)
Other activities	2,619	133,727	136,346	-	110,861	25,485	28,146
Rechargeable repairs - Bad debts	-	-	-	17,018	-	(17,018)	(93,852)
Total From Other Activities	2,619	178,492	181,111	17,018	181,337	(17,244)	(15,607)
2018	822	183,691	184,513	33,852	166,268	(15,607)	

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

	2019	2018
	£	£
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association.		
Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)	<u>69,044</u>	<u>216,649</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>6,840</u>	<u>13,485</u>
Emoluments payable to Chief Executive (excluding pension contributions)	<u>89,465</u>	<u>74,515</u>
Total Emoluments paid to key management personnel	<u>208,029</u>	<u>275,689</u>

The increase in emoluments payable to the Chief Executive is due to a crossover of Officers in the year.

The number of Officers, including the highest paid Officer, who received emoluments over £60,000 was in the following ranges:-

	Number	Number
£60,001 to £70,000	1	1
£70,001 to £80,000	-	1
£80,001 to £90,000	-	1

6. EMPLOYEE INFORMATION

	2019	2018
	No.	No.
The average monthly number of full time equivalent persons employed during the year was:	<u>54</u>	<u>51</u>
The average total number of Employees employed during the year was:	<u>57</u>	<u>54</u>
Staff Costs were:	£	£
Wages and Salaries	1,746,513	1,753,230
Social Security Costs	147,895	149,393
Other Pension Costs	144,326	150,827
Temporary, Agency and Seconded Staff	35,486	71,858
	<u>2,074,220</u>	<u>2,125,308</u>

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. GAIN ON SALE OF HOUSING STOCK

	2019	2018
	£	£
Sales Proceeds	43,300	76,924
Cost of Sales	-	38,931
Gain On Sale Of Housing Stock	<u>43,300</u>	<u>37,993</u>

8. INTEREST PAYABLE & SIMILAR CHARGES

	2019	2018
	£	£
On Bank Loans & Overdrafts	<u>38,721</u>	<u>32,221</u>

9. SURPLUS FOR THE YEAR

	2019	2018
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - Tangible Owned Fixed Assets	1,231,904	1,201,252
Auditors' Remuneration - Audit Services	13,560	13,140
Auditors' Remuneration - Other Services	-	3,670
Gain on sale of fixed assets	<u>(43,300)</u>	<u>(37,993)</u>

10. OTHER FINANCE INCOME / CHARGES

	2019	2018
	£	£
Net Interest on Pension Obligations	<u>22,000</u>	<u>2,049</u>

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Total £
COST				
As at 1 April 2018	58,861,856	1,839,441	124,487	60,825,784
Additions	228,340	320,935	-	549,275
Disposals	(14,264)	-	-	(14,264)
As at 31 March 2019	<u>59,075,932</u>	<u>2,160,376</u>	<u>124,487</u>	<u>61,360,795</u>
DEPRECIATION				
As at 1 April 2018	22,385,752	-	55,314	22,441,066
Charge for Year	1,195,392	-	2,489	1,197,881
Disposals	(14,264)	-	-	(14,264)
As at 31 March 2019	<u>23,566,880</u>	<u>-</u>	<u>57,803</u>	<u>23,624,683</u>
NET BOOK VALUE				
As at 31 March 2019	<u>35,509,052</u>	<u>2,160,376</u>	<u>66,684</u>	<u>37,736,112</u>
As at 31 March 2018	<u>36,476,104</u>	<u>1,839,441</u>	<u>69,173</u>	<u>38,384,718</u>

Additions to housing properties include capitalised major repair costs to existing properties of £175,169 (2018 - £nil).

All land and housing properties are heritable.

Total expenditure on existing properties in the year amounted to £2,497,177 (2018 - £2,064,109). The amount capitalised is £228,340 (2018 - £342,625) with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £175,169 (2018 - £nil) and Properties in the Course of Construction of £320,935 (2018 - £342,625).

The Association's Lenders have standard securities over Housing Property with a carrying value of £11,220,959 (2018 - £11,529,896).

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. NON CURRENT ASSETS (Continued)

(b) Other Tangible Assets	Office Premises £	Furniture & Equipment £	Computer Equipment £	Total £
COST				
As at 1 April 2018	512,423	7,515	15,708	535,646
Additions	-	2,496	19,701	22,197
As at 31 March 2019	<u>512,423</u>	<u>10,011</u>	<u>35,409</u>	<u>557,843</u>
AGGREGATE DEPRECIATION				
As at 1 April 2018	471,429	4,343	8,976	484,748
Charge for year	20,497	1,723	11,803	34,023
As at 31 March 2019	<u>491,926</u>	<u>6,066</u>	<u>20,779</u>	<u>518,771</u>
NET BOOK VALUE				
As at 31 March 2019	<u>20,497</u>	<u>3,945</u>	<u>14,630</u>	<u>39,072</u>
As at 31 March 2018	<u>40,994</u>	<u>3,172</u>	<u>6,732</u>	<u>50,898</u>

12. CAPITAL COMMITMENTS

	2019 £	2018 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	<u>244,147</u>	<u>1,464,034</u>

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

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. RECEIVABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Arrears of Rent & Service Charges	113,500	73,492
Less: Provision for Doubtful Debts	(61,392)	(35,909)
	<u>52,108</u>	<u>37,583</u>
Social Housing Grant Receivable	-	80,519
Other Receivables	207,087	181,371
Amounts Due from Group Undertakings	82,046	94,252
	<u>341,241</u>	<u>393,725</u>

14. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Housing Loans	161,320	161,863
Trade Payables	392,178	357,316
Rent Received in Advance	455,116	432,622
Other Taxation and Social Security	45,304	37,682
Other Payables	84,659	81,102
Liability for Past Service Contributions	-	159,970
Accruals and Deferred Income	89,612	118,222
	<u>1,228,189</u>	<u>1,348,777</u>

At the balance sheet date there were pension contributions outstanding of £17,794 (2018 - £24,250).

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	2019	2018
	£	£
Liability for Past Service Contributions	-	476,305
Housing Loans	2,065,054	2,225,830
	<u>2,065,054</u>	<u>2,702,135</u>
Housing Loans		
Amounts due within one year	161,320	161,863
Amounts due in one year or more but less than two years	161,320	161,863
Amounts due in two years or more but less than five years	483,960	485,589
Amounts due in more than five years	1,419,774	1,578,378
	<u>2,226,374</u>	<u>2,387,693</u>
Less: Amount shown in Current Liabilities	161,320	161,863
	<u>2,065,054</u>	<u>2,225,830</u>
Liability for Past Service Contributions		
Amounts due within one year	-	159,970
Amounts due in one year or more but less than two years	-	164,769
Amounts due in two years or more but less than five years	-	311,536
	<u>-</u>	<u>636,275</u>
Less: Amount shown in Current Liabilities	-	159,970
	<u>-</u>	<u>476,305</u>

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

Lender	Number of Properties Secured	Effective Interest Rate	Maturity (Year)	Variable / Fixed
RBS	Standard security over 60 properties	2.0%	2034	Variable
Bank of Scotland	Standard security over 42 properties	1.8%	2027	Variable
Nationwide Building Society	Standard security over 39 properties	1.4%	2032	Variable
Scottish Building Society	Standard security over 31 properties	1.1%	2029	Variable

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

The liability for the past service contributions was previously accounted for in accordance with FRS 102 para 28.13A and represented the present value of the contributions payable. The cash out flows have been discounted at a rate of 0.00% (2018 - 1.51%).

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. STATEMENT OF CASH FLOWS

<i>Reconciliation of surplus for the year to net cash inflow from operating activities</i>	2019 £	2018 £
Surplus for the year	1,160,600	1,446,439
Depreciation	1,231,904	1,316,337
Gain on disposal	(43,300)	(37,993)
Change in Provisions for liabilities and charges	-	61,000
Amortisation of Capital Grants	(910,408)	(910,905)
Change in debtors	(28,035)	222,359
Change in creditors	39,925	(372,225)
Unwinding of Discount on Pension Liability	(97,000)	(2,049)
Transfer of interest to financial activities	(191,435)	(128,655)
Share Capital Written Off	(23)	(37)
Net cash inflow from operating activities	<u>1,162,228</u>	<u>1,596,271</u>

<i>Reconciliation of net cash flow to movement in net debt</i>	2019 £	£	2018 £	£
(Decrease) / increase in cash	(1,702,329)		911,428	
Cashflow from change in net debt	<u>3,155,687</u>		<u>31,135</u>	
Movement in net debt during the year		1,453,358		942,563
Net debt at 1st April 2018		<u>20,262,324</u>		<u>19,319,761</u>
Net funds at 31 March 2019		<u>21,715,682</u>		<u>20,262,324</u>

<i>Analysis of changes in net debt</i>	At 01 April 2018	Cashflows	Other Changes	At 31 March 2019
Cash at bank and in hand	2,669,259	(1,702,329)		966,930
Liquid resources	19,980,758	2,994,368		22,975,126
Debt: Due within one year	(161,863)	161,319	(160,776)	(161,320)
Due after more than one year	(2,225,830)		160,776	(2,065,054)
Net Funds	<u>20,262,324</u>	<u>1,453,358</u>	-	<u>21,715,682</u>

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. DEFERRED INCOME

	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Supporting People £	Total £
Social Housing Grants					
As at 1 April 2018	45,245,254	2,002,685	78,393	-	47,326,332
Additions in the year	-	547,343	-	-	547,343
As at 31 March 2019	45,245,254	2,550,028	78,393	-	47,873,675
Amortisation					
As at 1 April 2018	20,454,270	-	35,726	-	20,489,996
Amortisation in year	904,905	-	1,568	-	906,473
As at 31 March 2019	21,359,175	-	37,294	-	21,396,469
Net book value					
As at 31 March 2019	23,886,079	2,550,028	41,099	-	26,477,206
As at 31 March 2018	24,790,984	2,002,685	42,667	-	26,836,336
Other Grants					
As at 1 April 2018	-	-	-	98,358	98,358
As at 31 March 2019	-	-	-	98,358	98,358
Amortisation					
As at 1 April 2018	-	-	-	59,016	59,016
Amortisation in year	-	-	-	3,935	3,935
As at 31 March 2019	-	-	-	62,951	62,951
Net book value					
As at 31 March 2019	-	-	-	35,407	35,407
As at 31 March 2018	-	-	-	39,342	39,342
Total grants net book value as at 31 March 2019	23,886,079	2,550,028	41,099	35,407	26,512,613
Total grants net book value as at 31 March 2018	24,790,984	2,002,685	42,667	39,342	26,875,678

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

	2019 £	2018 £
Amounts due within one year	910,408	910,905
Amounts due in one year or more	25,602,205	25,964,773
	26,512,613	26,875,678

18. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	2019 £	2018 £
As at 1 April 2018	177	202
Issued in year	5	12
Cancelled in year	(23)	(37)
As at 31 March 2019	159	177

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.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2019 No.	2018 No.
General Needs - New Build	228	228
General Needs - Rehabilitation	1,261	1,260
Shared Ownership	2	2
	<u>1,491</u>	<u>1,490</u>

20. RELATED PARTY TRANSACTIONS

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

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

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

	2019 £	2018 £
Rent received from tenants on the Management Committee and their close family members	<u>22,538</u>	<u>29,011</u>
Factoring charges received from factored owners on the Management Committee and their close family members	<u>672</u>	<u>-</u>

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £nil (2018 - £nil).

At the year end total factoring arrears owed by the factored owners on the Management Committee (and their close family) were £nil (2018 - £nil).

Members of the Management Committee who are tenants	5	7
Members of the Management Committee who are owner occupiers	<u>1</u>	<u>1</u>

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. DETAILS OF ASSOCIATION

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

The Association's principal place of business is 5 Royal Crescent, Glasgow, G3 7SL.

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

22. MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £123 (2018 - £109) in the year by way of reimbursement of expenses. No remuneration is paid to Management Committee members in respect of their duties to the Association.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. INVESTMENTS

Investment properties

	Commercial Properties	Total
Valuation	£	£
	304,000	304,000
As at 31 March 2019 and 31 March 2018	<u>304,000</u>	<u>304,000</u>

Commercial properties were valued by an independent professional adviser DVS on 31 March 2015 in accordance with the appraisal and valuation manual of the RICS. Commercial properties are subject to valuation at least every five years. No further revision was considered appropriate in the year 2019.

Investments in Subsidiaries

	2019	2018
Cost	£	£
As at 1 April and 31 March	<u>1</u>	<u>1</u>

The Association has a 100% owned subsidiary, Glasgow West Enterprise Limited. The relationship between the Association and its subsidiary is set out in an independence agreement between both parties.

In the opinion of the Management Committee the aggregate value of the assets of the subsidiary is not less than the aggregate of the amounts at which those assets are stated in the Association's balance sheet.

During the year, Glasgow West Housing Association Limited received management fees from Glasgow West Enterprises Limited amounting to £110,959 (2018 - £109,475).

Glasgow West Housing Association Limited incurred expenditure on behalf of Glasgow West Enterprises Limited amounting to £320,079 (2018 - £213,355).

Glasgow West Enterprises Limited collected receipts on behalf of Glasgow West Housing Association Limited amounting to £3,074 (2018 - £1,794).

Glasgow West Housing Association Limited collected receipts on behalf of Glasgow West Enterprises Limited amounting to £23,761 (2018 - £11,907).

Glasgow West Enterprises Limited repaid £419,770 (2018 - £444,959) to Glasgow West Housing Association Limited.

Glasgow West Enterprises Limited agreed to donate £11,716 (2018 - £244) to Glasgow West Housing Association Limited, which was paid after the year end.

The amount due to Glasgow West Housing Association Limited from Glasgow West Enterprises Limited at the statement of financial position date was £82,046 (2018 - £94,252), which was paid after the year end.

The aggregate amount of capital and reserves and the results of Glasgow West Enterprise Limited for the year ended 31 March 2019 were as follows:

	2019	2018
	£	£
Capital & Reserves	<u>11,717</u>	<u>1</u>
Surplus for the year	<u>11,716</u>	<u>-</u>

Current Asset Investments

	2019	2018
	£	£
Short term deposits	<u>22,975,126</u>	<u>19,980,758</u>

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

The Association operates a defined benefit scheme as an admitted body under the Scottish Housing Association Pension Fund, the assets of which are held in a separate trustee administered fund.

The administering authority has responsibility for the management of the Fund. As most of the Fund's investments are equity based, there is an inherent risk of volatility in the investment market having a significant effect on the value of the fund's assets. In order to mitigate this risk, the Fund holds a diverse investment portfolio with a range of investment managers.

At the balance sheet date, there were 8 active members of the scheme employed by the Association. Total pension contributions made by the Association for the year were £164,528. Gross pensionable salaries for the year were £351,000.

The following figures are prepared by the Actuaries in accordance with their understanding of FRS 102 and Guidance Note 36: Accounting for Retirement Benefits under FRS 102 issued by the Institute and Faculty of Actuaries.

Principal Actuarial Assumptions

Assumptions as at	2019	2018
	%p.a.	%p.a.
Salary increases	3.3%	3.2%
Pension increases	3.3%	3.2%
Discount rate	2.3%	2.6%

The defined benefit obligation is estimated to comprise of the following:

	2019
	No.
Employee members	8
Deferred pensioners	21
Pensioners	7
	<hr/>
	36
	<hr/>

Mortality Rates

Life expectancy is based on the PFA92 and PMA92 tables, with mortality improvements projected based on members' individual year of birth. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
	(Years)	(Years)
Current Pensioners	21.7	23.4
Future Pensioners	23.1	24.7

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. RETIREMENT BENEFIT OBLIGATIONS

Fair value of scheme assets by category

	2019
	£000
Growth assets	2,486
Matching plus	581
Liability driven investent	1,896
Net current assets	5
	<u>4,968</u>

Net Pension Liability

	2019
	£000
Fair value of employer's assets	4,968
Present value of scheme liabilities	(6,132)
	<u>(1,164)</u>

Reconciliation of fair value of employer assets

	2019
	£000
Opening fair value of employer assets	5,083
Interest income	126
Experience on plan assets	227
Contributions by the Employer	165
Actuarial Gains / (Losses)	-
Estimated Benefits Paid	(633)
Closing fair value	<u>4,968</u>

Reconciliation of defined benefit obligations

	2019
	£000
Opening defined benefit obligation	6,218
Current Service Cost	5
Interest Cost	153
Contributions by members	-
Actuarial (gains)/losses	389
Estimated Benefits Paid	(633)
Closing defined benefit obligation	<u>6,132</u>

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. RETIREMENT BENEFIT OBLIGATIONS

Analysis of amount charged to the Statement of Comprehensive Income

	2019 £000
Charged to operating costs:	
Service cost	5
	<hr/>
Charged to Other Finance Costs / (Income)	
Expected Return on employer assets	(126)
Interest on pension scheme liabilities	153
	<hr/>
	27
	<hr/>
Net Charge to the Statement of Comprehensive Income	32

Actuarial Gain / (Loss) recognised in the Other Comprehensive Income

	2019 £000
Experience on plan assets	227
Experience gains and losses arising on plan liabilities - gain/(loss)	57
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain/(loss)	(16)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/(loss)	(430)
Actuarial gain/(loss) recognised in year	<hr/> (162) <hr/>

Net liability

	2019 £
At as 1 April 2018	-
Adjustment to opening pension liability	(498,725)
Increase in Provision	(665,275)
	<hr/>
As at 31 March 2019	(1,164,000)

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. RETIREMENT BENEFIT OBLIGATIONS

Strathclyde Pension Fund Defined Benefit Scheme

The Association operates a defined benefit scheme as an admitted body under the Strathclyde Pension Fund, the assets of which are held in a separate trustee administered fund.

The administering authority has responsibility for the management of the Fund. As most of the Fund's investments are equity based, there is an inherent risk of volatility in the investment market having a significant effect on the value of the fund's assets. In order to mitigate this risk, the Fund holds a diverse investment portfolio with a range of investment managers.

At the balance sheet date, there were 8 active members of the scheme employed by the Association. Total pension contributions made by the Association for the year were £56,000 (2018 - £62,000). Gross pensionable salaries for the year were £238,407 (2018 - £266,000).

The following figures are prepared by the Actuaries in accordance with their understanding of FRS 102 and Guidance Note 36: Accounting for Retirement Benefits under FRS 102 issued by the Institute and Faculty of Actuaries.

Principal Actuarial Assumptions

Assumptions as at 31 March 2019	2019 %p.a.	2018 %p.a.	2017 %p.a.
Salary increases	3.7%	3.6%	4.4%
Pension increases	2.5%	2.4%	2.4%
Discount rate	2.4%	2.7%	2.6%

Employer Membership Statistics

	2019 No.	2018 No.	2017 No.
Employee members	9	9	10
Deferred pensioners	-	-	-
Pensioners	3	3	3
	<u>12</u>	<u>12</u>	<u>13</u>

Expected Return on Assets

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period as follows:

Asset Class	2019 % p.a.	2018 % p.a.	2017 % p.a.
Equities	64%	70%	73%
Bonds	24%	18%	12%
Property	10%	11%	10%
Cash	2%	1%	5%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

Mortality Rates

Life expectancy for the prior period end are based on the Fund's VitaCurves with allowance for future improvements in line with the CMI 2016 model, long term rates of 1.5% p.a. for males and 1.25% p.a. for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males (Years)	Females (Years)
Current Pensioners	21.4	23.7
Future Pensioners	23.4	25.8

Historic Mortality

Life expectancy for the prior period end are based on the Fund's VitaCurves with allowance for future improvements in line with the CMI 2016 model, long term rates of 1.5% p.a. for males and 1.25% p.a. for females.

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash post-April 2009 service.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. RETIREMENT BENEFIT OBLIGATIONS

Net Pension Surplus/(Liability)	2019	2018	2017
	£000	£000	£000
Fair value of employer's assets	2,645	2,471	2,323
Present value of scheme liabilities	2,626	2,269	2,938
	<u>19</u>	<u>202</u>	<u>(615)</u>

Reconciliation of fair value of employer assets

	2019	2018
	£000	£000
Opening fair value of employer assets	2,471	2,323
Expected Return on Assets	67	61
Contributions by Members	15	17
Contributions by the Employer	56	62
Total Remeasurements	81	34
Estimated Benefits Paid	(45)	(26)
	<u>2,645</u>	<u>2,471</u>

Reconciliation of defined benefit obligations

	2019	2018
	£000	£000
Opening defined benefit obligation	2,269	2,938
Current Service Cost	97	106
Interest Cost	62	78
Contributions by members	15	17
Total Remeasurements	228	(844)
Estimated Benefits Paid	(45)	(26)
	<u>2,626</u>	<u>2,269</u>

GLASGOW WEST HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. RETIREMENT BENEFIT OBLIGATIONS

Analysis of amount charged to the Statement of Comprehensive Income

	2019 £000	2018 £000	2017 £000
Charged to operating costs:			
Service cost	97	106	76
Charged to Other Finance Costs / (Income)			
Expected Return on employer assets	(67)	(61)	(65)
Interest on pension scheme liabilities	62	78	74
	(5)	17	9
Net Charge to the Statement of Comprehensive Income	92	123	85

Actuarial Gain / (Loss) recognised in the Statement of Other Comprehensive Income

	2019 £000	2018 £000	2017 £000
Actuarial gain/(loss) recognised in year	(147)	878	(338)
Amount offset against restriction of surplus	183	(202)	-
	36	676	(338)

Analysis of projected amount to be charged to the Statement of Comprehensive Income for the year ended 31 March 2019

	£000	% of pay
Projected current service cost	109	46%
Interest on obligation	64	27%
Expected return on plan assets	(64)	-27%
	109	46%

Contributions made by the Association for the year ended 31 March 2019 are estimated to be approximately £60,000 (2018 - £65,000).

Net liability

	2019 £000	2018 £000
At as 1 April 2018	-	615
Increase/(Decrease) in Provision	-	(615)
As at 31 March 2019	-	-

As the Association has no commitment to reduce future contributions nor receive refunds from the Fund, in accordance with Paragraph 28.22 of FRS 102, the surplus on the Fund has not been recognised as an asset on the Statement of Financial Position at 31 March 2019 or 31 March 2018.

