

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2020

RSL NO 267

FCA NO 2435R(S)

CHARITY NO SC031874

GLEN HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
for the year ended 31st March 2020

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MEMBERS, EXECUTIVE AND ADVISERS

Board of Directors

Heather Murray –Chairperson
Graham Ross – Vice Chair
Robert Melville – Secretary
John McArthur
Jim Souter
Alison Crook
Pat Milne
Osato Osaghae
Joyce McCartney
Isobel Muirhead
Josephine Smith
Beverley Miller
Barry Allan
Shane Garrioch – from June 2019

Director

Anne Dickie

Registered Office

28 Heimdal Gardens
Glenrothes
KY7 6TZ

Auditor

Findlays
Chartered Accountants
11 Dudhope Terrace
Dundee
DD3 6TS

Principal Bankers

The Royal Bank of Scotland
Drummond House
1 Redheughs Avenue
Edinburgh
EH12 9JN

Solicitors

TC Young
Melrose House
69A George Street
Edinburgh
EH2 2JG

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Report of the Board of Directors

The Board of Directors present their report and the audited financial statements for the year ended 31 March 2020.

Principal Activities

Glen Housing Association ("the Association") aims to provide housing solutions to meet the needs of local communities and to serve the interests of our current and future tenants.

Board of Directors

The Board of Directors are as detailed on page 1 of the financial statements.

Operating Financial Review

The Association provides a range of sustainable housing solutions, develops social and economic opportunities and provides an effective and efficient service to its customers.

At the year end, the Association was operating in midst of a nationwide COVID-19 coronavirus pandemic. The Association has introduced several operational procedures to ensure compliance with Scottish Government guidance whilst continuing to support our stakeholders. The Association is of the belief that it is well placed to meet the challenges ahead and will continue to monitor developments. Specifically, we have a robust long-term financial model in place, which is based on prudent assumptions to maintain viability and to ensure all our financial covenants with lenders are achieved with sufficient head room built in as a contingency. Given the dynamic nature of the pandemic, the validity of these assumptions will be closely monitored and updated when relevant information becomes available.

1 Financial / Treasury Management

- 1.1 In the financial year 2019/20 the Association made an operating surplus of £222,118 (2019 - £262,047). After accounting for interest receivable and payable, and recognising the revaluation of the housing stock, the total surplus for the year was £471,564 (2019 £373,818).

The Association participates in a multi-employer pension scheme, SHAPS, and under FRS 102, is required to include its share of net assets / liabilities in the financial statements. Each year, actuaries will update the Association's share of net assets / liabilities and the actuarial gain or loss must be included in the Statement of Comprehensive Income. The movement between 1 April 2019 and 31 March 2020 was reported as £327,000 and this has increased the total surplus to £798,564 (2019 £182,318).

The Association's revenue reserves now sit at a balance of £9,254,278 (2019 - £8,455,714) being carried forward to 2020/21.

- 1.2 Finances are managed through the yearly budget process and ongoing development of key performance targets.
- 1.3 The Association continues to invest in the existing stock and the five year financial projections detail how resources are deployed to meet business needs, including key assumptions and trends. All financial plans are subject to scenario planning and sensitivity testing to ensure robustness.
- 1.4 A full risk appraisal is undertaken on all large scale capital projects, which gives a detailed record of all identified risks; this review is presented to the Board for a full discussion before formal approval is given by the Board.
- 1.5 Treasury Management includes the managing of all short and medium term cash flow requirements, withdrawing funds and managing assets' security. In protecting financial resources it is ensured that investment decisions are properly assessed and that appropriate financial returns are delivered.

2 Reactive / Planned Maintenance

- 2.1 A key aim for the Association is to ensure that properties meet or exceed national standards. The 30 year planned maintenance programme and cash projections take account of investment in modernising and repairing houses, and in improving the social and physical nature of the community to protect and enhance the assets which underpin the Association's funding.

3 Asset Management

- 3.1 The Association continues to meet the guidance which indicates the level of standard that homes should meet under the "Scottish Housing Quality Standard" (SHQS). Currently, selective cyclical and planned maintenance programmes are being undertaken which includes renewals to boilers and kitchens, and cyclical painterwork. Smoke detectors were also upgraded in the year to comply with new regulations.
- 3.2 There is a focus to ensure updated and relevant information is held on our planned maintenance database which is key to providing information as to when property components are due to be replaced.
- 3.3 The asset investment plan, cashflows and 30 year financial models are aligned for consistency in order to ensure that an adequate fundable plan is in place.

4 Future Business Growth

- 4.1 The Association currently has 475 properties across Fife.
- 4.2 The Association is continually looking into ways of increasing its housing stock and is in ongoing discussions with other organisations about new developments. The Association, in partnership with Kingdom Housing, plan to develop a small number of properties in the coming year at Wilmington Drive that includes a bespoke property for Aberlour Childcare Trust.
- 4.3 A full risk appraisal and feasibility study is undertaken on all large scale projects being presented to the Board for discussion and formal approval.

5 Governance Arrangements

- 5.1 The Association has completed its review of Governance arrangements to ensure compliance with best practice. As required, the Association completed the Scottish Housing Regulator's Annual Assurance Statement in September 2019, confirming compliance with Regulatory Standards.
- 5.2 Currently governance operates through the Board of Directors which consists of current / former tenants of the Association and other interested individuals.

6 Provision of Services

- 6.1 The Association currently employs 14 members of staff on a full and part time basis.
- 6.2 Looking towards the future, the Association will ensure that the services it provides continue to meet the needs of tenants, customers and the community.

Board of Directors and Chief Executive

The Board of Directors and Chief Executive of the Association are listed on page 1.

Each member of the Board of Directors holds one fully paid share of £1 in the Association. The Executive Officer of the Association holds no interest in the Association's share capital and although not having the legal status of director, acts as an executive within the authority delegated by the Board.

Statement of the Board's Responsibilities

Housing Association legislation requires the Board 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 income and expenditure of the Association for the year ended on that date. In preparing those financial statements the Board are 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 a going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association.

The Board is 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.

Statement on Internal Financial Controls

The Board of Directors acknowledge their ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- (i) The reliability of financial information used within the Association or for publication.
- (ii) The maintenance of proper accounting records, and
- (iii) The safeguarding of assets against unauthorised use or disposition.

It is the Board of Directors 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 include ensuring that:

- (i) Formal policies and procedures are in place including the documentation of key systems and rules relating to the delegation of authorities which allow the monitoring of controls and restrict the unauthorised use of the Association's assets. These policies and regulations are reviewed on a regular basis in accordance with a structured programme.
- (ii) Experienced and suitably qualified staff take responsibility for important business functions. Their development and performance are monitored through an annual appraisal system and regular one to one meetings.

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- (iii) Forecasts and budgets are prepared which allow the Board and Management to monitor the key business risks and financial objectives and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.
- (iv) Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies.
- (v) All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board of Directors.
- (vi) Together with the Audit Committee, the Board of Directors reviews reports from management and from the internal and external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association.
- (vii) Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.
- (viii) An annual programme of performance and service review and improvement is approved by the Board with progress regularly reviewed.

The Board of Directors has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2020 and also for the period up to the signing of this report. No significant control weaknesses were found in 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.

In so far as the Board are aware:

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

Auditors

The audit appointment was for a fixed period of five years, which has now been completed. In the current circumstances, the Association has decided to extend the audit appointment for a further year, and Findlays have indicated that they will be offering themselves for re-election at the AGM. The Association will undertake a competitive tendering process next year.

By order of the Board



Secretary

24 June 2020

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLEN HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Glen Housing Association Limited for the year ended 31 March 2020 which comprise statements of comprehensive income, financial position, cash flows and changes in equity and notes to the financial statements, 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 section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Scottish Housing Regulator's 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 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 Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLEN HOUSING ASSOCIATION LIMITED

Other information

The Board 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 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

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:

the Association has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or

the statement of comprehensive income, any other statements to which our report relates, and the statement of financial position are not in agreement with the Association's books of account; or

we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement on page 4, the Board is 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 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 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 Board either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLEN HOUSING ASSOCIATION LIMITED

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 judgment 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, except to the extent otherwise explicitly stated in our report, 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 Board.

Conclude on the appropriateness of the Board'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.

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.


Joan Williamson, CA (Senior Statutory Auditor)
For and on Behalf of Findlays,
Chartered Accountants and Statutory Auditor,
11 Dudhope Terrace
Dundee
DD3 6TS

Date: 24 June 2020

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REPORT BY THE AUDITORS ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the financial statements, we have reviewed your statement on pages 4 & 5 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on pages 4 & 5 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued 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 Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



Joan Williamson, CA (Senior Statutory Auditor)
For and on Behalf of Findlays,
Chartered Accountants and Statutory Auditor,
11 Dudhope Terrace
Dundee
DD3 6TS

Date: 24 June 2020

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STATEMENT OF COMPREHENSIVE INCOME

	Notes	2020 £	2019 £
Turnover	2	2,049,858	1,985,770
Operating expenditure	2	(1,827,740)	(1,723,723)
Other income		-	-
Operating surplus / (deficit)		<u>222,118</u>	<u>262,047</u>
Gain/(loss) on disposal of tangible fixed assets		-	300
Finance income	7	19,802	15,156
Finance costs	8	(222,303)	(234,518)
HAG Income for Developments		-	-
Revaluation of housing properties		451,947	330,833
Surplus / (deficit) for the year		<u>471,564</u>	<u>373,818</u>
Initial recognition of defined benefit scheme	20	-	(135,500)
Actuarial gain / (loss) in respect of pension schemes	20,16	327,000	(56,000)
Total comprehensive income for the year		<u>798,564</u>	<u>182,318</u>

All amounts relate to continuing activities.

The notes on pages 14 to 38 form part of the Financial Statements

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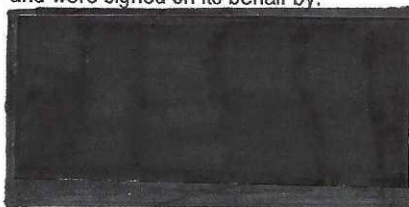
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STATEMENT OF FINANCIAL POSITION

	Notes	2020 £	2019 £
Fixed assets			
Tangible fixed assets	11, 12	14,149,508	14,163,085
		<u>14,149,508</u>	<u>14,163,085</u>
Current assets			
Trade and other debtors	13	120,731	67,490
Cash and cash equivalents		2,388,105	2,190,916
		<u>2,508,836</u>	<u>2,258,406</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(320,770)	(345,251)
Net current assets / (liabilities)		<u>2,188,066</u>	<u>1,913,155</u>
Total assets less current liabilities		16,337,574	16,076,240
Creditors: amounts falling due after more than one year	15	(7,061,249)	(7,283,478)
Provisions for liabilities			
- Pension deficit funding liability	16	-	-
- Pension defined benefit liability	20	(22,000)	(337,000)
Total net assets		<u>9,254,325</u>	<u>8,455,762</u>
Capital and reserves			
Share capital	17	47	48
Income and expenditure reserve	18	9,254,278	8,455,714
		<u>9,254,325</u>	<u>8,455,762</u>

The financial statements were approved by the Board of Directors on 24 June 2020 and were signed on its behalf by:



Secretary

Board member

Board member

The notes on pages 14 to 38 form part of these financial statements.

GLEN HOUSING ASSOCIATION LIMITED

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STATEMENT OF CHANGES IN RESERVES

	Share Capital	Income & Expenditure Reserve	Total
	£	£	£
At 1 April 2019	48	8,455,714	8,455,762
Surplus / (deficit) for the year	-	798,564	798,564
Remeasurement gain / (loss) on defined benefit pension plan	-	-	-
Revaluation of tangible fixed assets	-	-	-
Total comprehensive income	48	9,254,278	9,254,326
Share capital issued/cancelled	(1)	-	(1)
At 31 March 2020	47	9,254,278	9,254,325

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STATEMENT OF CASH FLOWS

	Notes	2020 £	2019 £
Net cash generated from operating activities	24	731,534	914,618
Cash flow from investing activities			
Purchase of tangible fixed assets		(154,592)	(300,490)
Purchase of investments		-	-
Proceeds of sale of tangible fixed assets		-	-
Grants received		-	-
Grants repaid		-	-
Interest received		19,802	15,156
		<u>(134,791)</u>	<u>(285,334)</u>
Cash flow from financing activities			
Proceeds from issue of shares		1	9
Proceeds from issue of new long-term loans		137,204	-
Repayment of long term loans		(322,460)	(307,326)
Repayment of finance lease liabilities		-	-
Interest paid		(214,299)	(226,519)
		<u>(399,554)</u>	<u>(533,836)</u>
Net cash flow from financing activities			
		<u>(399,554)</u>	<u>(533,836)</u>
Net increase / (decrease) in cash and cash equivalents		197,189	95,448
Cash and cash equivalents at 1 April 2019		2,190,916	2,095,468
Cash and cash equivalents at 31 March 2020		2,388,105	2,190,916
		<u>=====</u>	<u>=====</u>
Cash and cash equivalents consists of :			
Cash at bank and in hand		930,396	772,364
Short term deposits		1,457,709	1,418,552
		<u>2,388,105</u>	<u>2,190,916</u>
Cash and cash equivalents at 31 March 2020		2,388,105	2,190,916
		<u>=====</u>	<u>=====</u>

NOTES TO THE FINANCIAL STATEMENTS

1. **Principal Accounting Policies**

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice for social housing providers 2018 (SORP 2018) and the Scottish Housing Regulator's Determination of Accounting Requirements 2019.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of Accounting

Glen Housing Association Limited meets the definition of a public benefit entity under FRS 102.

Glen Housing Association Limited is a Registered Social Landlord, incorporated in Scotland within the United Kingdom. The address of the registered office is given in the Association information page of these financial statements.

The financial statements are presented in sterling which is the functional currency of the Association.

Turnover

Turnover represents rental and service charge income, fees, grants receivable and other income.

Mortgages

Mortgage loans are advanced by private lenders under the terms of individual mortgage deeds in respect of each property. Advances are available only in respect of those developments which have been given approval for Social Housing Grant by the Scottish Housing Regulator.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Tangible Fixed Assets

Tangible fixed assets (including social housing properties) are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost (or valuation), less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Land	Not depreciated
Housing Properties	80 years
Property plant and equipment	15 - 60 years
Fixtures and fittings	3 - 6 years
Motor vehicles	4 years

Housing properties under construction are not depreciated until they are in use.

Major components of housing properties, such as roofs, windows, bathrooms, kitchens and heating, have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives and are included in property plant and equipment.

The useful economic lives of all tangible fixed assets are reviewed annually.

Valuation movements for Housing Properties Held for Letting are allocated to land and structure in accordance with SORP 2014. The Board of Directors believe the valuation of all other components is reasonably equal to the depreciated historical costs (net of grants) of such components.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Works to Existing Properties

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the property, thereby enhancing the economic benefits of the assets, are capitalised as improvements. Works to existing properties which do not result in the enhancement of economic benefits are charged to the Statement of Comprehensive Income.

Capitalisation of Development Overheads

Costs which are directly attributable to bring assets into working condition are included in housing properties cost during development and component replacement. Directly attributable costs include direct labour costs of the Association and incremental costs which would have been avoided only if the development or component replacement was not taking place. All other development costs are written off to the Statement of Comprehensive Income in the period in which it occurs.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other administrative expenses.

Housing Association Grants (HAG)

Where a grant is paid as a contribution towards revenue expenditure, it is included in turnover. Where a grant is received from government and other bodies as a contribution towards a capital cost, it is recognised as income using the performance model in accordance with the SORP 2014. Prior to satisfying the performance conditions such grants are held as deferred income on the Statement of Financial Position.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction, it is measured at present value.

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Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. The level at which an impairment is assessed is considered is at the cash generating unit (CGU) level. The Board of Directors believe that housing properties held for letting represent one CGU.

The key indicators of impairment considered are changes in demand, changes in use, economic performance worse than expected, significant decline in market value, plans to regenerate, demolish or replace existing components, higher than expected costs of development, and other changes in technology, market, economy and legislation.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

Provisions for liabilities

Pensions

The Association participates in the Scottish Housing Association Pension Scheme (SHAPS). Retirement benefits for employees of the Association are funded by 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 now accounts for this as a defined benefit scheme in accordance with FRS 102.

Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

Accruals and Deferred Income

Non- government grants in relation to capital expenditure are written off to the Statement of Comprehensive Income in the year in which they are receivable.

GLEN HOUSING ASSOCIATION LIMITED

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for the year ended 31st March 2020

Significant Estimates

The preparation of financial statements requires the use of certain accounting judgements and estimates. It also requires the Board of management to exercise judgment in applying the Association's accounting policies. The areas requiring the use of significant estimates are disclosed below.

Rent Arrears – Bad Debt Provision

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

Useful life of Properties, Plant and Equipment

The Association estimates the useful life of properties, plant and equipment, as well as components thereof, and estimates an annual charge to be depreciated.

Defined Pension Liability

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

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Particulars of Turnover, Cost of Sales, Operating Costs & Operating Surplus

		2020		
		Turnover	Operating Costs	Operating Surplus/ (Deficit)
		£	£	£
Social Lettings	Note 3	2,019,071	(1,818,879)	200,192
Other activities	Note 4	<u>30,787</u>	<u>(8,861)</u>	<u>21,926</u>
Total		<u><u>2,049,858</u></u>	<u><u>(1,827,740)</u></u>	<u><u>222,118</u></u>

		2019		
		Turnover	Operating Costs	Operating Surplus/ (Deficit)
		£	£	£
Social Lettings	Note 3	1,943,931	(1,704,832)	239,099
Other activities	Note 4	<u>41,839</u>	<u>(18,891)</u>	<u>22,948</u>
Total		<u><u>1,985,770</u></u>	<u><u>(1,723,723)</u></u>	<u><u>262,047</u></u>

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Particulars Of Income & Expenditure From Social Letting Activities

	General Needs Housing £	Supported Housing £	Shared Ownership £	2020 Total £	2019 Total £
Income from Letting					
Rent Receivable net of Service Charges	1,957,494	-	-	1,957,494	1,869,622
Service Charges	49,467	-	-	49,467	49,085
Gross Income From Rents and Service Charges	2,006,961	-	-	2,006,961	1,918,707
LESS: Rent Losses from Voids	(3,882)	-	-	(3,882)	(3,181)
Net Income from rents and service charges	2,003,079	-	-	2,003,079	1,915,526
Government grants taken to income	15,992	-	-	15,992	28,405
Other revenue grants	-	-	-	-	-
Total Turnover from Letting Activities	2,019,071	-	-	2,019,071	1,943,931
Expenditure on Social Letting Activities					
Management	(496,211)	-	-	(496,211)	(450,938)
Services	(55,527)	-	-	(55,527)	(47,868)
Planned and Cyclical Maintenance	(237,147)	-	-	(237,147)	(184,096)
Reactive Maintenance:	(404,543)	-	-	(404,543)	(378,900)
Operating costs for social letting activities	(15,992)	-	-	(15,992)	(28,405)
Rent Losses from Bad Debts	(9,854)	-	-	(9,854)	(3,820)
Depreciation of affordable let properties	(599,605)	-	-	(599,605)	(610,805)
Total Operating Costs	(1,818,879)	-	-	(1,818,879)	(1,704,832)
Operating Surplus/(Deficit)	200,192	-	-	200,192	239,099
Operating Surplus/(Deficit) for previous period of account	239,099	-	-	239,099	

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Particulars of Turnover, Operating Costs and Operating Surplus or Deficit from Other Activities

	Grants from Scottish Ministers	Supporting People Income	Other Revenue Grants	Other Income	Total Turnover	Bad Debts	Other Operating Costs	2020 Operating Surplus/ (Deficit)	2019 Operating Surplus/ (Deficit)
	£	£	£	£	£	£	£	£	£
Wider Role Activities	-	-	-	-	-	-	(8,861)	(8,861)	(5,452)
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-	-
Development and construction of property activities	-	-	-	-	-	-	-	-	-
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Agency / management services for RSLs	-	-	-	-	-	-	-	-	-
Other agency / management services	-	-	-	-	-	-	-	-	-
Developments for sale to RSLs	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to non RSLs	-	-	-	-	-	-	-	-	-
Shared equity sales	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	30,787	30,787	-	-	30,787	28,400
Total from other activities	-	-	-	30,787	30,787	-	(8,861)	21,926	22,948
Total from other activities for the previous period of account	-	-	-	28,400	41,839	-	(18,891)		

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. **Key Management Personnel Emoluments**

As per the Scottish Housing Regulator's Determination of Accounting Requirements 2014, disclosure of key management personnel's emoluments exceeding £60,000 per annum is required.

	2020 £	2019 £
Aggregate emoluments payable to key management personnel with emoluments greater than £60,000		
Emoluments excluding employers pension	66,743	65,213
Employers pension contributions	12,835	12,825
Total emoluments payable	79,578	78,038
	=====	=====
The emoluments payable to, or received by, the Director amount to :		
Emoluments excluding employers pension	66,743	65,213
Employers pension contributions	6,894	6,640
Employers pension deficit contributions	5,941	6,185
Total emoluments payable	79,578	78,038
	=====	=====
Payments to other organisations for the provision of Director's services	-	-
	=====	=====
The emoluments of key management personnel (excluding pension contributions) were within the following ranges :-		
£60,001 to £70,000	1	1
£71,001 to £80,000	-	-
£80,001 to £90,000	-	-
	=====	=====

The key management personnel are ordinary members of the Association's pension scheme described in note 20. No enhanced or special terms apply to membership and they have no other pension arrangements to which the Association contributes. No emoluments were paid to any member of the Board during the year.

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. **Employee Information**

	2020	2019
	No.	No.
The average monthly number of full time equivalent persons employed during the year was:	14	13
	=====	=====

	2020	2019
	£	£
Staff costs		
Wages and salaries	383,692	371,419
Social security cost	34,641	33,554
Pension costs (Note 21)	46,863	36,558
Pension deficit contributions	37,779	36,744
	-----	-----
	502,975	478,275
	=====	=====

7. **Interest and other finance income**

	2020	2019
	£	£
Interest receivable and other income		
Bank Interest receivable	19,802	15,156
	-----	-----
	19,802	15,156
	=====	=====

8. **Interest payable and similar charges**

	2020	2019
	£	£
Bank loans and overdrafts	214,303	226,518
Other loans	-	-
Finance charges payable under finance leases	-	-
	-----	-----
	214,303	226,518
	=====	=====

Other finance costs

	2020	2019
Interest on defined benefit pension liability	8,000	8,000
	-----	-----
	222,303	234,518
	=====	=====

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. **Surplus / (deficit) on ordinary activities**

Surplus / (deficit) on ordinary activities is stated after charging:-	2020	2019
	£	£
Depreciation of tangible fixed assets		
- housing properties (including accelerated depreciation £17,326)	599,605	629,040
- other fixed assets	20,512	18,236
Repairs: Cyclical, day to day	379,575	296,172
Operating lease rentals	8,400	7,800
External Auditors remuneration		
- in their capacity as auditors	7,938	7,728
External Auditors remuneration		
- in their capacity as non-auditors	4,980	4,680
	=====	=====

10. **Taxation**

The Association has been recognised by HM Revenue and Customs as a charity for taxation purposes. Provided its income is derived from and applied to charitable purposes, no taxation liability arises.

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Tangible Fixed Assets - Housing Properties

	Housing held for Letting £	Housing Properties in the Course of Construction £	Other Properties £	Total £
Valuation				
At 1 April 2019	13,770,000	-	-	13,770,000
Additions	122,553	-	-	122,553
Capitalised wages cost	25,104	-	-	25,104
Transfer to completed properties	-	-	-	-
Disposals	(124,391)	-	-	(124,391)
Revaluation	(23,266)	-	-	(23,266)
At 31 March 2020	13,770,000	-	-	13,770,000
Depreciation				
As at 1 April 2019	-	-	-	-
Adjustment for disposals	(107,066)	-	-	(107,066)
Charge for the year	582,279	-	-	582,279
Eliminated on revaluation	(475,213)	-	-	(475,213)
At 31 March 2020	-	-	-	-
Net Book Values				
As at 31 March 2020	13,770,000	-	-	13,770,000
As at 31 March 2019	13,770,000	-	-	13,770,000

Component replacement costs of £122,553 (2019 - £252,279) were capitalised during the year.

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Tangible Fixed Assets - Housing Properties

72 housing properties held for letting were revalued in November 2016 by an independent external valuer, Jones Lang Lasalle, who carried out a further valuation in April 2018 on 403 properties. The valuation in the accounts combines both these valuations. The Directors feel based on the current valuation of a section of the housing stock there has been little movement in the value since 2018. The basis of the valuation was Existing Use Value – Social Housing. The properties held for letting were valued at £13,770,000.

The directors feel that the value at 31 March 2020 of the properties valued will not be materially different from the figure stated above.

Carrying Value

If housing properties held for letting had not been revalued they would have appeared in the balance sheet as:

	<u>2020</u>	<u>2019</u>
	£	£
Cost	32,628,119	32,629,958
Accumulated depreciation	(9,435,792)	(8,690,161)
Net book value at 31 March 2020	£ 23,192,327	£ 23,939,797
	=====	=====

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 Tangible fixed assets - other

	Leasehold improvements	Office Premises	Motor Vehicles	Fixtures & Fittings	Total
	£	£	£	£	£
Cost					
At 1 April 2019	20,176	466,065	46,083	65,065	597,389
Additions	-	-	-	6,935	6,935
Disposals	-	-	-	(7,864)	(7,864)
As at 31 March 2020	<u>20,176</u>	<u>466,065</u>	<u>46,083</u>	<u>64,136</u>	<u>596,460</u>
Depreciation					
At 1 April 2018	19,881	96,198	29,066	59,159	204,304
Charge for year	122	9,440	7,419	3,531	20,512
Disposals	-	-	-	(7,864)	(7,864)
As at 31 March 2020	<u>20,003</u>	<u>105,638</u>	<u>36,485</u>	<u>54,826</u>	<u>216,952</u>
Net Book Value					
At 31 March 2020	<u>173</u>	<u>360,427</u>	<u>9,598</u>	<u>9,310</u>	<u>379,508</u>
At 31 March 2019	<u>295</u>	<u>369,867</u>	<u>17,017</u>	<u>5,906</u>	<u>393,085</u>

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. **Trade and other debtors**

	2020 £	2019 £
Trade debtors (gross social housing rent arrears)	43,353	32,046
Less : provision for doubtful debt	(13,260)	(9,899)
Other debtors	12,891	4,640
Prepayments and accrued income	77,747	40,703
	<u>120,731</u>	<u>67,490</u>
	=====	=====

14. **Creditors : amounts falling due within one year**

	2020 £	2019 £
Amounts falling due within one year:		
Bank loans and overdrafts	187,674	150,701
Rents paid in advance	70,863	65,804
Other tax and social security	9,263	8,858
Pension past service deficit	-	-
Other creditors	2,981	52,419
Accruals and deferred income	49,989	67,469
	<u>320,770</u>	<u>345,251</u>
	=====	=====

The amounts secured are £160,233 (2019 - £150,701).

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Creditors : amounts falling due after more than one year

	2020 £	2019 £
Bank loans and overdrafts	7,061,249	7,283,478
	<u>7,061,249</u>	<u>7,283,478</u>
	=====	=====

The amounts secured are £6,951,486 (2019 - £7,283,478).

Housing Loans are secured by specific charges on the Association's properties and are repayable at varying rates of interest in instalments due as follows:-

Loan Repayment	2020 £	2019 £
Within one year	187,674	150,701
Between one and two years	192,067	154,803
Between two and five years	603,819	490,194
In five years or more	6,265,363	6,638,481
	<u>7,248,923</u>	<u>7,434,179</u>
	=====	=====

16 Provisions for liabilities – pension deficit funding liability

	2020 £	2019 £
Pension deficit provision at 1 April 2019	-	141,500
Being De-recognise pension deficit liability	-	(141,500)
Unwinding of discount factor (interest expense)	-	-
Deficit contribution paid	-	-
Remeasurements – impact of any change in assumptions	-	-
Remeasurements – amendments to the contribution schedule	-	-
	<u>-</u>	<u>-</u>
Provision at 31 March 2020	-	-
	=====	=====
Due within one year	-	-
Due after more than one year	-	-
	<u>-</u>	<u>-</u>
	=====	=====

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. **Share capital**

	2020 No.	2019 No.
At 1 April 2019	48	57
Issued during the year	4	2
Cancelled during the year	(5)	(11)
At 31 March 2020	<u>47</u>	<u>48</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.

18. **Reserves**

Income and expenditure reserve

The income and expenditure reserve represents cumulative surplus and deficits net of other adjustments.

19. **Related party transactions**

Information about related party transactions and outstanding balances is outlined below:

Five members of the Board of Directors are also tenants of the Association. The tenancies are on the same terms as for other tenants and no advantage can be gained from the position.

During the financial year, Directors were charged rent totalling £16,894 (2019 - £16,162). As at 31 March 2020 the amount of £1,313 (2019 - £1,323) had been overpaid and was due from the Association to the tenants.

Where members of the Board of Directors are also councillors or employees of related local authorities, there are no transactions to disclose that were not made at arm's length or not made under the normal commercial terms.

No Board members received remuneration however members of the Board of Directors were reimbursed for out of pocket expenses amounting to £1,723 (2019 - £1,093).

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. **Retirement Benefits**

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 31 March 2023 for the majority of employers, although certain employers have different arrangements.

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

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

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

For accounting purposes, two actuarial valuations for the scheme were carried out with effective dates of 31 March 2018 and 30 September 2018. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus at the accounting period start and end dates.

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Retirement Benefits (continued)

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)

	2020 £(000's)	2019 £(000's)
Fair value of plan assets	1,799	1,583
Present value of defined benefit obligation	1,821	1,920
Surplus (deficit) in plan	(22)	(337)
Unrecognised surplus	-	-

Reconciliation of the impact of the asset ceiling

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

Reconciliation of opening and closing balances of the defined benefit obligation

	2020 £(000's)
Defined benefit obligation at start of period	1,920
Current service cost	78
Expenses	1
Interest expense	46
Contributions by plan participants	38
Actuarial losses (gains) due to scheme experience	(53)
Actuarial losses (gains) due to changes in demographic assumptions	(10)
Actuarial losses (gains) due to changes in financial assumptions	(195)
Benefits paid and expenses	(4)
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	1,821

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Retirement Benefits (continued)

Reconciliation of opening and closing balances of the fair value of plan assets

	2020 £(000's)
Fair value of plan assets at start of period	1,583
Interest income	38
Experience on plan assets (excluding in interest income) – gain (loss)	69
Contributions by the employer	75
Contributions by plan participants	38
Benefits paid and expenses	(4)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rates changes	-
Fair value of plan assets at end of period	1,799

The actual return on the plan assets (including any changes in share of assets over the period from 31 March 2019 to 31 March 2020) was £107,000.

Defined benefit costs recognised in statement of comprehensive income (SOCl)

	2020 £(000's)
Current service cost	78
Expenses	1
Net interest expense	8
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 (SoCl)	87

Defined benefit costs recognised in other comprehensive income

	2019 £(000's)
Experience on plan assets (excluding amounts included in net interest cost) – gain (loss)	69
Experience gains and losses arising on the plan liabilities – gain (loss)	53
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain (loss)	10
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	195
Total actuarial gains and losses (before restriction due to some of the surplus not being recognised) gains (loss)	327
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain (loss)	-
Total amount recognised in other comprehensive income – gain (loss)	327

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Retirement Benefits (continued)

ASSETS

	2020 £(000's)	2019 £(000's)
Global Equity	247	255
Absolute Return	110	134
Distressed Opportunities	33	27
Credit Relative Value	43	28
Alternative Risk Premia	144	88
Fund of Hedge Funds	-	4
Emerging Markets Debt	64	51
Risk Sharing	57	46
Insurance -Linked Securities	48	41
Property	34	31
Infrastructure	106	66
Private Debt	36	20
Opportunistic Illiquid Credit	44	-
Corporate Bond Fund	131	111
Liquid Credit	47	-
Long Lease Property	44	19
Secured Income	100	55
Over 15 year Gifts	23	41
Index Linked All Stock Gifts	-	-
Liability Driven Investment	474	564
Net Current Assets	14	2
Total Assets	1,799	1,583

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

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Retirement Benefits (continued)

KEY ASSUMPTIONS

	2020	2019
	% per annum	% per annum
Discount Rate	2.38	2.33
Inflation (RPI)	2.62	3.28
Inflation (CPI)	1.62	2.28
Salary Growth	2.62	3.28
Allowance for commutation of pension for cash at retirement	75% max allow	75% max allow

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

	Life expectancy
	At age 65
	(Years)
Male retiring in 2020	21.5
Female retiring in 2020	23.2
Male retiring in 2040	22.8
Female retiring in 2040	24.5

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. **Legislative Provisions**

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014.

22. **Housing Stock**

The number of units of accommodation in management at the year end was:-

	2020	2019
	No.	No.
General needs	475	475
	-----	-----
	475	475
	=====	=====

23. **Commitments Under Operating Leases**

Total future minimum lease payments under non-cancellable operating leases are as follows :

Land and Buildings	2020	2019
	£	£
<u>Expiry Date</u>		
Within 1 year	2,100	1,950
Between 2-5 years	-	-
Over 5 years	-	-
	=====	=====

24. **Cash flow from operating activities**

	2020	2019
	£	£
Surplus / (deficit) for the year	222,118	262,047
Depreciation and impairment of tangible fixed assets	620,117	629,040
Proceeds of sale of tangible fixed assets	-	300
Carrying amount of tangible fixed asset disposals	-	-
(Increase) / decrease in stock	-	-
(Increase) / decrease in trade and other debtors	(53,241)	11,500
Increase / (decrease) in trade and other creditors	(57,460)	11,731
Receipt of donated land / assets	-	-
Government grants utilised in the year	-	-
	-----	-----
Net cash flow from operating activities	731,534	914,618
	=====	=====

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2020

24	Reconciliation of net cash flow to movement in net debt	2020	2019
		£	£
	Increase in cash	197,189	95,448
	Cashflow from change in net debt	185,256	307,326
		<u>382,445</u>	<u>402,774</u>
	Net debt at 1 st April 2019	(5,243,263)	(5,646,037)
	Net debt at 31 st March 2020	<u><u>(4,860,818)</u></u>	<u><u>(5,243,263)</u></u>

Analysis of changes in net debt

	At 1 st April 2019	Cashflows	Other changes	At 31 st March 2020
	£	£	£	£
Cash and cash equivalents	2,190,916	197,189	-	2,388,105
Bank overdrafts	-	-	-	-
	<u>2,190,916</u>	<u>197,189</u>	<u>-</u>	<u>2,388,105</u>
Debt : due within one year	(150,701)	(36,973)	-	(187,674)
due after more than one year	(7,283,478)	222,229	-	(7,061,249)
	<u>(5,243,263)</u>	<u>382,445</u>	<u>-</u>	<u>(4,860,818)</u>
Net debt	<u><u>(5,243,263)</u></u>	<u><u>382,445</u></u>	<u><u>-</u></u>	<u><u>(4,860,818)</u></u>

25. Contingent Liabilities

The Association has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the SFHA Scheme based on the financial position of the Scheme as at 30 September 2018 (latest valuation). The estimated employer debt for the Association was £1,388,484. The Association has no intentions of withdrawing from the scheme and consequently no provision has been made in the financial statements.

As the Association adopts a policy of holding its housing properties at valuation, government grants are written off to the statement of comprehensive income, using the performance model, in the year in which the conditions of the grant are met. In the case of housing properties, grant conditions are considered to be fully met on completion of the development. Government grants of £21,802,455 have been accounted for under the performance model. Should the Association dispose of property in the future, this could give rise to a relevant event for the purposes of repayment or recycling such grant.

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. **Post Balance Sheet event**

We are closely monitoring the situation regarding COVID-19, the novel coronavirus, that presents significant economic disruption to businesses throughout the UK and beyond.

While we continue to overcome operational challenges meeting the needs of our tenants whilst following government advice, we have reviewed the risks on our balance sheet; primarily Rent Arrears, Housing Property values and service of Long Term Loans and are taking actions to further minimise our sensitivity to economic shocks as and when information becomes available.

As the situation is rapidly evolving it is not practicable to quantify the potential financial impact of the outbreak on the Association.