

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2021

RSL NO 267

FCA NO 2435R(S)

CHARITY NO SC031874

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2021

CONTENTS

	<u>Page</u>
Members, Executive and Advisers	1
Report of the Board of Directors	2 - 5
Report of the Auditors	6 - 9
Report of the Auditors on Corporate Governance Matters	10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Reserves	13
Statement of Cash Flows	14
Notes to the Financial Statements	15 - 39

GLEN HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
for the year ended 31st March 2021

MEMBERS, EXECUTIVE AND ADVISERS

Board of Directors

Heather Murray – Chairperson
Graham Ross – Vice Chair
Robert Melville – Secretary
John McArthur
Alison Crook
Pat Milne
Isobel Muirhead
Josephine Smith
Beverley Miller
Barry Allan
Shane Garrloch
Joyce McCartney – resigned 24/06/20.
Jim Souter – resigned 17/09/20.
Osato Osaghae – deceased 02/10/20.

Director

Anne Dickie

Registered Office

28 Heimdall 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

Report of the Board of Directors

The Board of Directors present their report and the audited financial statements for the year ended 31 March 2021.

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 2020/21 the Association made an operating surplus of £455,147 (2020 - £222,118). After accounting for interest receivable and payable, and recognising the revaluation of the housing stock, the total surplus for the year was £3,562,320 (2020 - £471,564).

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 2020 and 31 March 2021 was reported as a loss of £215,000 and this has decreased the total surplus to £3,347,320 (2020 - £798,564).

The Association's revenue reserves now sit at a balance of £12,601,598 (2020 - £9,254,278) being carried forward to 2021/22.

- 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.

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2021

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). Typically, selective cyclical and planned maintenance programmes would be undertaken which includes renewals to boilers and kitchens, and cyclical painterwork in addition to upgrading of smoke detectors to comply with new regulations. Scottish Government restrictions during the Covid-19 pandemic prevented this to be implemented during the year, it is the Association's aim to recommence these programmes when permitted to do so.
- 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. The Association is continually looking into ways of increasing its housing stock and is in ongoing discussions as part of the Fife Housing Association Alliance, and with other partners about new developments. A small number of properties at Wilmington Drive, including a bespoke property for Aberlour Childcare Trust, will be completed early in the new financial year with a 16 unit site at Methil Brae also coming into the Association's ownership during 2021.
- 4.2 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 October 2020, 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.

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2021

- (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 2021 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 decided last year to extend the audit appointment for a further year. The Association will undertake a competitive tendering process in financial year 2021/22.

By order of the Board


Secretary

23 June 2021

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2021

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 2021 which comprise statements of comprehensive income, financial position, cash flows, changes in equity and notes to the financial statements, including 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2021, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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

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

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

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2021

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 and Statement of Financial Position and any other statements to which our report relates 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 our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out 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 it 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 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 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.

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2021

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

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

The extent to which the audit was considered capable of detecting irregularities including fraud

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Association through discussions with directors and other management, and from our knowledge and experience of the social housing sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010, SHR regulatory requirements, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the SHR, Health and Safety Executive, and the company's legal advisors.

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2021


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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.


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

Date: 23 June 2021

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2021

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: 23 June 2021

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2021

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2021 £	2020 £
Turnover	2	2,131,048	2,049,858
Operating expenditure	2	(1,675,901)	(1,827,740)
Other income		-	-
Operating surplus / (deficit)		<u>455,147</u>	<u>222,118</u>
Gain/(loss) on disposal of tangible fixed assets		-	-
Finance income	7	22,500	19,802
Finance costs	8	(184,647)	(222,303)
HAG Income for Developments		-	-
Revaluation of housing properties	11	<u>3,269,320</u>	<u>451,947</u>
Surplus / (deficit) for the year		<u><u>3,562,320</u></u>	<u><u>471,564</u></u>
Actuarial gain / (loss) in respect of pension schemes	20	(215,000)	327,000
Total comprehensive income for the year		<u><u><u>3,347,320</u></u></u>	<u><u><u>798,564</u></u></u>

All amounts relate to continuing activities.

The notes on pages 15 to 39 form part of the Financial Statements

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2021

STATEMENT OF FINANCIAL POSITION

	Notes	2021 £	2020 £
Fixed assets			
Tangible fixed assets	11, 12	16,899,168	14,149,508
		<u>16,899,168</u>	<u>14,149,508</u>
Current assets			
Trade and other debtors	13	119,201	120,731
Cash and cash equivalents		2,932,052	2,388,105
		<u>3,051,253</u>	<u>2,508,836</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(608,121)	(320,770)
Net current assets / (liabilities)		<u>2,443,132</u>	<u>2,188,066</u>
Total assets less current liabilities		19,342,300	16,337,574
Creditors: amounts falling due after more than one year	15	(6,554,658)	(7,061,249)
Provisions for liabilities			
- Pension defined benefit liability	20	(186,000)	(22,000)
Total net assets		<u>12,601,642</u>	<u>9,254,325</u>
Capital and reserves			
Share capital	17	44	47
Income and expenditure reserve	18	12,601,598	9,254,278
		<u>12,601,642</u>	<u>9,254,325</u>

The financial statements were approved by the Board of Directors on 23 June 2021 and were signed on its behalf by:



Secretary
 Board member
 Board member

The notes on pages 15 to 39 form part of these financial statements.

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2021

STATEMENT OF CHANGES IN RESERVES

	Share Capital	Income & Expenditure Reserve	Total
	£	£	£
At 1 April 2020	47	9,254,278	9,254,325
Surplus / (deficit) for the year	-	293,000	293,000
Remeasurement gain / (loss) on defined benefit pension plan	-	(215,000)	(215,000)
Revaluation of tangible fixed assets	-	3,269,320	3,269,320
Total comprehensive income	47	12,601,598	12,601,645
Share capital issued/cancelled	(3)	-	(3)
At 31 March 2021	44	12,601,598	12,601,642

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2021

STATEMENT OF CASH FLOWS

	Notes	2021 £	2020 £
Net cash generated from operating activities	24	1,140,042	731,534
Cash flow from investing activities			
Purchase of tangible fixed assets		(100,056)	(154,593)
Purchase of investments		-	-
Proceeds of sale of tangible fixed assets		-	-
Grants received		-	-
Grants repaid		-	-
Interest received		22,500	19,802
		<u>(77,556)</u>	<u>(134,791)</u>
Cash flow from financing activities			
Proceeds from issue of shares		3	1
Proceeds from issue of new long-term loans		-	137,204
Repayment of long term loans		(332,895)	(322,460)
Repayment of finance lease liabilities		-	-
Interest paid		(185,647)	(214,299)
		<u>(518,539)</u>	<u>(399,554)</u>
Net cash flow from financing activities		<u>(518,539)</u>	<u>(399,554)</u>
Net increase / (decrease) in cash and cash equivalents		543,947	197,189
Cash and cash equivalents at 1 April 2020		2,388,105	2,190,916
Cash and cash equivalents at 31 March 2021		<u>2,932,052</u>	<u>2,388,105</u>
Cash and cash equivalents consists of :			
Cash at bank and in hand		1,467,557	930,396
Short term deposits		1,464,495	1,457,709
Cash and cash equivalents at 31 March 2021		<u>2,932,052</u>	<u>2,388,105</u>

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2021

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 2018. 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.

GLEN HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
for the year ended 31st March 2021

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 2018. 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.

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2021

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
REPORT AND FINANCIAL STATEMENTS
for the year ended 31st March 2021

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 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

		2021		
		Turnover	Operating Costs	Operating Surplus/ (Deficit)
		£	£	£
Social Lettings	Note 3	2,107,497	(1,673,997)	433,500
Other activities	Note 4	23,551	(1,904)	21,647
		<u> </u>	<u> </u>	<u> </u>
Total		<u>2,131,048</u>	<u>(1,675,901)</u>	<u>455,147</u>

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

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Particulars Of Income & Expenditure From Social Letting Activities

	General Needs Housing £	Supported Housing £	Shared Ownership £	2021 Total £	2020 Total £
Income from Letting					
Rent Receivable net of Service Charges	2,010,338	-	-	2,010,338	1,957,494
Service Charges	49,582	-	-	49,582	49,467
Gross Income From Rents and Service Charges	2,059,920	-	-	2,059,920	2,006,961
LESS: Rent Losses from Voids	(6,023)	-	-	(6,023)	(3,882)
Net Income from rents and service charges	2,053,897	-	-	2,053,897	2,003,079
Government grants taken to income	53,600	-	-	53,600	15,992
Other revenue grants	-	-	-	-	-
Total Turnover from Letting Activities	2,107,497	-	-	2,107,497	2,019,071
Expenditure on Social Letting Activities					
Management Services	(528,596)	-	-	(528,596)	(496,211)
Planned and Cyclical Maintenance	(54,957)	-	-	(54,957)	(55,527)
Reactive Maintenance:					
Operating costs for social letting activities	(461,083)	-	-	(461,083)	(404,543)
Rent Losses from Bad Debts	(27,358)	-	-	(27,358)	(15,992)
Depreciation of affordable let properties	(2,145)	-	-	(2,145)	(9,854)
	(599,858)	-	-	(599,858)	(599,605)
Total Operating Costs	(1,673,997)	-	-	(1,673,997)	(1,818,879)
Operating Surplus/(Deficit)	433,500	-	-	433,500	200,192
Operating Surplus/(Deficit) for previous period of account	200,192	-	-	200,192	

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2021

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	2021 Operating Surplus/ (Deficit)	2020 Operating Surplus/ (Deficit)
	£	£	£	£	£	£	£	£	£
Wider Role Activities	-	-	-	-	-	-	(1,904)	(1,904)	(8,861)
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	-	-	-	23,551	23,551	-	-	23,551	30,787
Total from other activities	-	-	=	23,551	23,551	-	(1,904)	21,647	21,926
Total from other activities for the previous period of account	-	-	=	30,787	30,787	-	(8,861)		

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. **Key Management Personnel Emoluments**

As per the Scottish Housing Regulator's Determination of Accounting Requirements 2019, disclosure of key management personnel's emoluments exceeding £60,000 per annum is required.

	2021 £	2020 £
Aggregate emoluments payable to key management personnel with emoluments greater than £60,000		
Emoluments excluding employers pension	67,655	66,743
Employers pension contributions	19,399	12,835
Total emoluments payable	<u>87,054</u> =====	<u>79,578</u> =====

The emoluments payable to, or received by, the Director amount to :

Emoluments excluding employers pension	67,655	66,743
Employers pension contributions	11,243	6,894
Employers pension deficit contributions	8,156	5,941
Total emoluments payable	<u>87,054</u> =====	<u>79,578</u> =====

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	-	-
	<u>1</u> =====	<u>1</u> =====

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 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. **Employee Information**

	2021	2020
	No.	No.
The average monthly number of full time equivalent persons employed during the year was:	14	14
	=====	=====

	2021	2020
	£	£
Staff costs		
Wages and salaries	413,327	383,692
Social security cost	36,570	34,641
Pension costs	69,705	46,863
Pension deficit contributions	51,870	37,779
	-----	-----
	571,472	502,975
	=====	=====

7. **Interest and other finance income**

	2021	2020
	£	£
Interest receivable and other income		
Bank Interest receivable	22,500	19,802
	-----	-----
	22,500	19,802
	=====	=====

8. **Interest payable and similar charges**

	2021	2020
	£	£
Bank loans and overdrafts	185,647	214,303
Other loans	-	-
Finance charges payable under finance leases	-	-
	-----	-----
	185,647	214,303
	=====	=====

Other finance costs

	2021	2020
Net interest on defined benefit pension liability	(1,000)	8,000
	-----	-----
	184,647	222,303
	=====	=====

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Surplus / (deficit) on ordinary activities is stated after charging:-	2021	2020
	£	£
Depreciation of tangible fixed assets		
- housing properties (including accelerated depreciation £22,098)	599,858	599,605
- other fixed assets	19,858	20,512
Repairs: Cyclical, day to day	151,569	379,575
Operating lease rentals	8,400	8,400
External Auditors remuneration		
- in their capacity as auditors	11,280	7,938
External Auditors remuneration		
- in their capacity as non-auditors	720	4,980
	=====	=====

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 2021

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 2020	13,770,000	-	-	13,770,000
Additions	90,538	-	-	90,538
Capitalised wages cost	-	-	-	-
Transfer to completed properties	-	-	-	-
Disposals	(95,512)	-	-	(95,512)
Revaluation	2,764,974	-	-	2,764,974
At 31 March 2021	16,530,000	-	-	16,530,000
Depreciation				
As at 1 April 2020	-	-	-	-
Adjustment for disposals	(73,414)	-	-	(73,414)
Charge for the year	577,760	-	-	577,760
Eliminated on revaluation	(504,346)	-	-	(504,346)
At 31 March 2021	-	-	-	-
Net Book Values				
As at 31 March 2021	16,530,000 =====	-	-	16,530,000 =====
As at 31 March 2020	13,770,000 =====	-	-	13,770,000 =====

Component replacement costs of £90,538 (2020 - £122,553) were capitalised during the year.

GLEN HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
for the year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 **Tangible Fixed Assets - Housing Properties**

A desktop valuation was conducted in March 2021 by an independent external valuer, Jones Lang Lasalle. The basis of the valuation was Existing Use Value – Social Housing. The properties held for letting were valued at £16,530,000.

The directors feel that the value at 31 March 2021 of the properties should be updated to recognise independent valuation stated above.

Carrying Value

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

	<u>2021</u> £	<u>2020</u> £
Cost	32,623,145	32,628,119
Accumulated depreciation	(10,074,902)	(9,435,792)
Net book value at 31 March 2021	<u>£ 22,548,243</u> =====	<u>£ 23,192,327</u> =====

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 Tangible fixed assets - other

	Leasehold improvements	Office Premises	Motor Vehicles	Fixtures & Fittings	Total
Cost	£	£	£	£	£
At 1 April 2020	20,176	466,065	46,083	64,136	596,460
Additions	-	-	-	9,518	9,518
Disposals	-	-	-	(2,017)	(2,017)
As at 31 March 2021	20,176	466,065	46,083	71,637	603,961
Depreciation					
At 1 April 2020	20,003	105,638	36,485	54,826	216,952
Charge for year	123	9,440	4,221	6,074	19,858
Disposals	-	-	-	(2,017)	(2,017)
As at 31 March 2021	20,126	115,078	40,706	58,883	234,793
Net Book Value					
At 31 March 2021	50	350,987	5,377	12,754	369,168
At 31 March 2020	173	360,427	9,598	9,310	379,508

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Trade and other debtors

	2021 £	2020 £
Trade debtors (gross social housing rent arrears)	47,151	43,353
Less : provision for doubtful debt	(10,454)	(13,260)
Other debtors	7,263	12,891
Prepayments and accrued income	75,241	77,747
	<u>119,201</u>	<u>120,731</u>
	=====	=====

14. Creditors : amounts falling due within one year

	2021 £	2020 £
Amounts falling due within one year:		
Bank loans and overdrafts	361,370	187,674
Rents paid in advance	84,064	70,863
Other tax and social security	9,888	9,263
Other creditors	40,227	2,981
Accruals and deferred income	112,572	49,989
	<u>608,121</u>	<u>320,770</u>
	=====	=====

The amounts secured are £361,370 (2020 - £187,674).

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	2021 £	2020 £
Bank loans and overdrafts	6,554,658	7,061,249
	<u>6,554,658</u>	<u>7,061,249</u>
	=====	=====

The amounts secured are £6,554,658 (2020 - £7,061,249).

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	2021 £	2020 £
Within one year	361,370	187,674
Between one and two years	362,427	192,067
Between two and five years	1,455,171	1,053,013
In five years or more	4,737,060	5,816,169
	<u>6,916,028</u>	<u>7,248,923</u>
	=====	=====

16 Capital Commitments

	2021 £	2020 £
Capital expenditure that has been approved for but has not been provided for in the financial statements including:		
-Housing property	3,495,656	-
	<u>3,495,656</u>	<u>-</u>
	=====	=====

The amount contracted for at 31 March 2021 will be funded by the proposed financing:

	2021 £	2020 £
HAG	1,303,680	-
Other grants	37,248	-
Agreed private loans	2,154,728	-
	<u>3,495,656</u>	<u>-</u>
	=====	=====

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. **Share capital**

	2021	2020
	No.	No.
At 1 April 2020	47	48
Issued during the year	-	4
Cancelled during the year	(3)	(5)
	<u>44</u>	<u>47</u>
At 31 March 2021	=====	=====

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 £17,334 (2020 - £16,894). As at 31 March 2021 the amount of £12 (2020 – £1,313) 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 £518 (2020 - £1,723).

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 2020, 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.

Following appropriate consultation, the Association has agreed to close the Defined Benefit Pension Scheme to new entrants with effect from 1 April 2021.

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2021

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)

	2021 £(000's)	2020 £(000's)
Fair value of plan assets	2,129	1,799
Present value of defined benefit obligation	2,315	1,821
Surplus (deficit) in plan	(186)	(22)
Unrecognised surplus	-	-

Reconciliation of the impact of the asset ceiling

	2021 £(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

	2021 £(000's)
Defined benefit obligation at start of period	1,821
Current service cost	60
Expenses	2
Interest expense	44
Contributions by plan participants	39
Actuarial losses (gains) due to scheme experience	(24)
Actuarial losses (gains) due to changes in demographic assumptions	-
Actuarial losses (gains) due to changes in financial assumptions	377
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	2,315

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Retirement Benefits (continued)

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

	2021 £(000's)
Fair value of plan assets at start of period	1,799
Interest income	45
Experience on plan assets (excluding in interest income) – gain (loss)	138
Contributions by the employer	112
Contributions by plan participants	39
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	2,129

The actual return on the plan assets (including any changes in share of assets over the period from 31 March 2020 to 31 March 2021 was £183,000.

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

	2021 £(000's)
Current service cost	60
Expenses	2
Net interest expense	(1)
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)	61

Defined benefit costs recognised in other comprehensive income

	2021 £(000's)
Experience on plan assets (excluding amounts included in net interest cost) – gain (loss)	138
Experience gains and losses arising on the plan liabilities – gain (loss)	24
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain (loss)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	(377)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognised) gains (loss)	(215)
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)	(215)

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Retirement Benefits (continued)

ASSETS

	2021	2020
	£(000's)	£(000's)
Global Equity	329	247
Absolute Return	105	110
Distressed Opportunities	73	33
Credit Relative Value	61	43
Alternative Risk Premia	85	144
Fund of Hedge Funds	-	-
Emerging Markets Debt	86	64
Risk Sharing	76	57
Insurance -Linked Securities	44	48
Property	38	34
Infrastructure	119	106
Private Debt	50	36
Opportunistic Illiquid Credit	55	44
High Yield	56	-
Opportunistic Credit	58	-
Cash	1	-
Corporate Bond Fund	161	131
Liquid Credit	37	47
Long Lease Property	49	44
Secured Income	117	100
Over 15 year Gifts	1	23
Index Linked All Stock Gifts	-	-
Liability Driven Investment	512	474
Net Current Assets	16	14
Total Assets	2,129	1,799

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 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Retirement Benefits (continued)

KEY ASSUMPTIONS

	2021	2020
	% per annum	% per annum
Discount Rate	2.18	2.38
Inflation (RPI)	3.27	2.62
Inflation (CPI)	2.87	1.62
Salary Growth	3.87	2.62
Allowance for commutation of pension for cash at retirement	75% max allow	75% max allow

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

	Life expectancy
	At age 65
	(Years)
Male retiring in 2021	21.5
Female retiring in 2021	23.4
Male retiring in 2041	22.8
Female retiring in 2041	25.0

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2021

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:-

	2021	2020
	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	2021	2020
	£	£
<u>Expiry Date</u>		
Within 1 year	2,100	2,100
Between 2-5 years	-	-
Over 5 years	-	-
	=====	=====

	2021	2020
	£	£
24. Cash flow from operating activities		
Surplus / (deficit) for the year	455,147	222,118
Depreciation and impairment of tangible fixed assets	619,716	620,117
Non-cash DB Pension adjustment	(50,000)	4,000
Proceeds of sale of tangible fixed assets	-	-
Carrying amount of tangible fixed asset disposals	-	-
(Increase) / decrease in stock	-	-
(Increase) / decrease in trade and other debtors	1,530	(53,241)
Increase / (decrease) in trade and other creditors	113,649	(61,460)
Government grants utilised in the year	-	-
	-----	-----
Net cash flow from operating activities	1,140,042	731,534
	=====	=====

GLEN HOUSING ASSOCIATION LIMITED
 REPORT AND FINANCIAL STATEMENTS
 for the year ended 31st March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

24 Reconciliation of net cash flow to movement in net debt	2021 £	2020 £
Increase in cash	543,947	197,189
Cashflow from change in net debt	332,895	185,256
	<u>876,842</u>	<u>382,445</u>
Net debt at 1 st April 2020	(4,860,818)	(5,243,263)
Net debt at 31 st March 2021	<u><u>(3,983,976)</u></u>	<u><u>(4,860,818)</u></u>

Analysis of changes in net debt

	At 1 st April 2020 £	Cashflows £	Other changes £	At 31 st March 2021 £
Cash and cash equivalents	2,388,105	543,947	-	2,932,052
Bank overdrafts	-	-	-	-
	<u>2,388,105</u>	<u>543,947</u>	<u>-</u>	<u>2,932,052</u>
Debt : due within one year	(187,674)	(173,696)	-	(361,370)
due after more than one year	(7,061,249)	506,591	-	(6,554,658)
	<u>(4,860,818)</u>	<u>876,842</u>	<u>-</u>	<u>(3,983,976)</u>
Net debt	<u><u>(4,860,818)</u></u>	<u><u>876,842</u></u>	<u><u>-</u></u>	<u><u>(3,983,976)</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.

GLEN HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
for the year ended 31st March 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. Post Balance Sheet event

We continue to monitor the situation regarding COVID-19 and as the UK implements a mass vaccination program, we are preparing for the easing of restrictions that will follow and allow the Association to return to normal working.

The Association continues to deliver core services to our tenants whilst adhering to 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 continues to evolve it is not practicable to quantify the potential financial impact of the outbreak on the Association.

