



Alexander Sloan
Accountants and Business Advisers

Glen Oaks Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2020

Registered Social Landlord No. HCB 241

FCA Reference No. 2402R(S)

Scottish Charity No. SC034301

GLEN OAKS HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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GLEN OAKS HOUSING ASSOCIATION LIMITED

BOARD, EXECUTIVES AND ADVISERS YEAR ENDED 31 MARCH 2020

Board

Mr S Gaunt	Chair
Ms E McShane	Vice-Chair
Ms M Flaherty	Treasurer
Ms K Barker	Secretary
Mrs P McGinlay MBE	
Mrs H Gracie	
Mr M Smith	
Ms A Louden	
Mr A Kirkwood	Resigned 18/09/19
Mrs E Gotowicz	
Mr J Ayorinde	Appointed 19/06/19
Ms K Clayton	Appointed 19/06/19
Mr A Edgar	Appointed 19/06/19
Ms F Koroma	Appointed 19/06/19
Mr M Overthrow	Appointed 19/06/19

EXECUTIVE OFFICERS

Alasdair McKee	Chief Executive
Nicola Logan	Finance Director
Jean Murray	Housing Services Director
Donald Weir	Technical Director

REGISTERED OFFICE

3 Kilmuir Drive
Arden
Glasgow
G46 8BW

EXTERNAL AUDITORS

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

INTERNAL AUDITORS

Henderson Loggie
The Vision Building
20 Greenmarket
Dundee
DD1 4QB

BANKERS

Royal Bank of Scotland
Fenwick Road
Glasgow
G46 6XB

SOLICITOR

T C Young
7 West George Street
Glasgow
G2 1BA

GLEN OAKS HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2020

The Board presents its report and the Financial Statements for the year ended 31 March 2020.

Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No.2402R(S)), the Scottish Housing Regulator as a registered social landlord (No. HCB 241) and as a registered Scottish Charity with the charity number SC034301.

Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation and the development of low-cost home ownership schemes.

Review of Business and Future Developments

Glen Oaks Housing Association identifies with the following Strategic Aims:

- Dedication to offering housing solutions and routes into social inclusion by building, managing and maintaining a range of affordable housing.
- Contributing to community sustainability and regeneration, through innovation and relationships built on trust with our customers and partners.
- Ensure we are an employer of choice and that we deliver quality service and standards throughout our activities including customer involvement.
- Ensure the Association is financially and operationally viable.
- Respect for diversity and ensuring accountability, openness and integrity.
- Ensure all activities comply with good governance.

Our Vision is one of diverse communities in which people can expand their opportunities, exercise choice and maximise their potential. To help achieve this, we want to help to drive innovation and quality in accessible housing in Scotland. Some of the main objectives which we think can help this aim include;

- Achieving continuous improvement in all the services we deliver and achieving and maintaining high standards of business efficiency and effectiveness.
- Creating opportunities for significant levels of user involvement in what we do.

We see these as challenging objectives, which will change the way we deliver our core services of housing, advice and consultancy. In particular, we seek to challenge what we currently do and look to improve, rather than simply carry on with existing patterns of work.

GLEN OAKS HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2020

Review of Business and Future Developments (Continued)

Operational Review

Corporate Governance

Glen Oaks has a Board that is elected by the members of the Association. It is the responsibility of the Board to undertake the strategy, setting of policy and overall direction of the Association. It also monitors the operational activities of the Association. The members of the Board are unpaid.

The Association also has the following Sub-Committees:

- Finance, Audit and Corporate Services Sub-Committee
- Housing, Technical and Health & Safety Sub-Committee

The Corporate Management Team of Glen Oaks (as listed on page 1) are responsible for achieving the strategy set and undertaking the operational activities in line with policies set. The Corporate Management Team together with the members of the Board are considered to be the Key Management Personnel of the Association.

Our Governing Body is our Board, which is responsible to the wider membership. Board members serve in a voluntary capacity and we recognise that this puts even more onus on us to ensure that we set and achieve high standards of professionalism in our work. We take governance very seriously and in the last year we have continued to build on work from previous years which has strengthened our governance arrangements.

Customer Engagement

Tenant involvement and participation is extremely important to Glen Oaks. We have an established tenant-led Service Improvement Group. During this year the Service Improvement Group reviewed our allocations process and started work on a review of our communications.

The Service Improvement Group will continue to be developed and supported through training provided by TIS.

GLEN OAKS HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2020

Review of Business and Future Developments (Continued)

Performance Management

The Association operates a robust performance management system based on the annual internal management plan. The objectives contained within this document flow through the entire organisation and are reflected in the individual staff members' development reviews. From these, a training needs assessment is carried out and the appropriate training programme prepared for the year. The Association is committed to involving staff in decision making and policy making. As such, we also have two staff review days each year. We also involve our Board members in a skills and training review.

Glen Oaks is also a member of two benchmarking groups where performance comparisons are reviewed and discussed in detail.

Best use of resources

We are keen to introduce new ways of working that will ensure the best use of our resources. We continue to develop our IT systems and this year we carried out improvements to our tenant portal and have been working to develop a new online application process.

Services

The Association aims to provide an excellent service to our tenants. Our Gold Service scheme has been in place for a number of years and has been well received by tenants. The scheme provides benefits to those tenants that keep to the conditions of their tenancy agreement. In this current year we provided bonusbonds and organised various competitions.

Maintenance Policies

In line with the SORP 2018, replacements to building components (as identified in Note 1) are capitalised in the accounts as they occur. All other major repairs are charged to the Statement of Comprehensive Income.

GLEN OAKS HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2020

Review of Business and Future Developments (Continued)

Development Issues

The Association completed 10 new houses from a 49 unit housing development via a Design & Build Contract with AS Homes (Scotland) Ltd. The project was funded by a grant from the Scottish Government via Glasgow City Council and Private Finance.

Housing Issues

The Association has an income maximisation team, supported by welfare rights and debt/energy advisers. We have an early intervention approach to supporting tenants who are having difficulty paying their rent. This has been essential due to the Government's welfare reforms which have had the potential to severely disrupt our income. We currently have 46% of our tenants who receive assistance with housing costs. This year we collected 100.42% of our rental income with gross rent arrears reducing from 4.75% to 3.57%.

Our stock turnover increased slightly this year from 8.94 % to 9.25% with a rent loss of 0.57%, up from 0.54% last year. This slight upturn has been due to the rehousing of some of our existing tenants into our current new build homes. We reduced our days to re-let from 24.4 days to 22.5 days. During the year we worked in partnership with the Simon Community to support the rehousing of homeless people through the Shared Living initiative and worked with the Scottish Refugee Council to support the rehousing needs of refugees. We continue to see a healthy demand for our properties, with reduced refusal rates. We had 356 applicants on our housing list at the end of March, an increase of 98 applicants on the previous year. We continue to offer a fully responsive Anti-Social Behaviour Service to our tenants and improved upon our response rate of 92.48% achieving 93.12% cases resolved within locally agreed targets this year. We continue to maintain high levels of customer satisfaction with 90% of our tenants satisfied with our service.

Communities Issues

The home is fundamental to the well-being of people and the sustainment of communities. The shaping of services and the creation of networks to support our communities is an essential part of our business. We were successful in 2018/19 to obtain funding from the Aspiring Communities Fund to allow us to employ dedicated staff to build strong social connections within our communities. We have set up partnership arrangements with local community groups and charities, developing a wider role strategy and establishing our role as a valuable community resource. We have worked closely with the Community Planning Partnership and Health and Social Care Partnership attracting funding of £14,222 to deliver a variety of activities to promote wellbeing and a sense of "Place". Working with our tenants and volunteers, we are seeing greater participation and engagement from within our communities. Our recent Tenant Satisfaction Survey showed that 97% of our tenants were satisfied with the opportunities to participate in the Association's services. We have just recently had confirmation that we were successful in obtaining funding of £41,231 from the Scottish Government Wellbeing Fund, which will allow us to continue this valuable work.

GLEN OAKS HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2020

Review of Business and Future Developments (Continued)

Property Maintenance

The following major repairs programmes took place in 2019-20:

- Completion of a window and external door replacement contract
- Completion of pilot project upgrading 6 tenement backcourts
- Commencement of a boiler replacement contract
- Commencement of a Kitchen & Bathroom replacement contract
- Installation of linked smoke and heat alarms at c.700 properties

In addition, a full programme of cyclical maintenance took place which included:

- Electrical safety inspections
- External and Internal paintwork
- Gas servicing
- 6 monthly inspections of common water tanks
- Roof anchor inspections

Risk Management Policy

The Association has a formal risk management process to assess business risks and implement risk management strategies. This involved identifying the types of risks the Association faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks. As part of this process the Board has reviewed the adequacy of the Association's current Internal Controls.

In addition, the Board has considered the guidance for directors of public listed companies contained within the Turnbull Report. The Board believe that, although this is not mandatory for the Association, it should, as a public body, adopt these guidelines as best practice.

Accordingly the Board have set policies on internal controls which cover the following:

- Consideration of the type of risks the Association faces;
- The level of risks which they regard as acceptable;
- The likelihood of the risks concerned materialising;
- The Association's ability to reduce the incidence and impact on the business of risks that do materialise;
- Clarified the responsibility of management to implement policies and identify and evaluate risks;
- Communicated that employees have responsibility for internal control as part of their accountability for achieving objectives;
- Embedded the control system in the RSL's operations so that it becomes part of the culture of the Association;
- Developed systems to respond quickly to evolving risks arising from factors within and to changes in the external environment; and
- Included procedures for reporting failings immediately to appropriate levels of management and the Board together with details of corrective action being taken.

GLEN OAKS HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2020

Covid-19 Pandemic

During the extremely challenging circumstances of the Covid-19 pandemic the Association has continued to deliver services in line with Government guidelines. The Board is proud of the efforts of the staff team throughout this period and recognises the many challenges faced by our tenants. Our staff team have worked hard to help and support tenants, and our Go Connect project has kept in contact with and assisted our vulnerable tenants.

There is minimal impact on these financial statements, due to the timing of the lockdown and other government measures, however there has been a rise in rent arrears in the first quarter of 2020-2021 which are still below the assumption levels we have included within the current business plan. We will continue to work with tenants to address this situation and provide support where required. Our future financial projections have been updated to reflect the changing circumstances and continue to show a strong financial position.

The Board will continue to monitor the situation and further update plans, as necessary.

GLEN OAKS HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2020

Board and Executive Officers

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

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

The members of the Board are also Trustees of the charity. Members of the Board are appointed by the members at the Association's Annual General Meeting.

Statement of Board's Responsibilities

The Co-operative and Community Benefit Societies Act 2014 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 surplus or deficit of the Association for that period. In preparing those Financial Statements, the Board is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business; and
- prepare a statement on Internal Financial Control.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019. It is responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

Going Concern

Based on its budgetary and forecasting processes the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future; therefore, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

GLEN OAKS HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2020

Statement on Internal Financial Control

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

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

It is the Board's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of the Association's systems include ensuring that:

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Board to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board;
- the Board receives reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Board has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2020. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Donations

During the year the Association made charitable donations amounting to £263 (2019 - £1,834).

Disclosure of Information to the Auditor

The members of the Board at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. They confirm that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to auditors.

Auditors

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

GLEN OAKS HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2020

By order of the Board

A solid black rectangular box used to redact the signature of the Secretary.

Secretary
19 August 2020

GLEN OAKS HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE MEMBERS OF GLEN OAKS HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on page 9 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements relating to corporate governance matters within Bulletin 2006/5 issued by the 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 reasons given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 9 has provided the disclosures required by the relevant Regulatory Standards contained within the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes 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, and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Board's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls within the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.


ALEXANDER SLOAN

Accountants and Business Advisers

Statutory Auditors

GLASGOW

24/8/2020



Alexander Sloan

Accountants and Business Advisers

GLEN OAKS HOUSING ASSOCIATION LIMITED

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

Opinion

We have audited the financial statements of Glen Oaks Housing Association Limited (the 'Association') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefits Societies Act 2014, the Housing (Scotland) Act 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

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.

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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

GLEEN OAKS HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLEEN OAKS HOUSING ASSOCIATION LIMITED (Continued)

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:

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

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities as set out on page 8, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorresponsibilities>. This description forms part of our audit report.

Use of our Report

This report is made solely to the Association's members as a body, in accordance with Part 7 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.


ALEXANDER SLOAN

Accountants and Business Advisers

Statutory Auditors

GLASGOW

24/8/2020



Alexander Sloan

Accountants and Business Advisers

GLEEN OAKS HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020	2019
		£	£
Revenue	2	6,655,373	6,430,236
Operating costs	2	5,012,301	4,366,338
OPERATING SURPLUS		1,643,072	2,063,898
Gain on sale of housing stock	7	35,792	3,761
Interest receivable and other income		37,780	39,419
Interest payable and similar charges	8	(1,156,603)	(1,079,195)
Other Finance income/(charges)	11	(30,000)	(27,000)
		(1,113,031)	(1,063,015)
SURPLUS FOR THE YEAR	9	530,041	1,000,883
Other comprehensive income			
Adjustment relating to opening pension liability	19	-	(303,868)
Actuarial gains/(losses) on defined benefit pension plan	19	1,067,000	(426,000)
TOTAL COMPREHENSIVE INCOME		1,597,041	271,015

The results relate wholly to continuing activities.

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

GLEN OAKS HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
NON-CURRENT ASSETS					
Housing properties - depreciated cost	12		59,616,366		53,586,313
Other tangible assets	12		338,879		313,262
Intangible assets	12		283,281		293,363
Investments	13		28,500		28,500
			<u>60,267,026</u>		<u>54,221,438</u>
CURRENT ASSETS					
Receivables	14	434,698		670,612	
Cash and cash equivalents	15	5,635,898		8,675,115	
		<u>6,070,596</u>		<u>9,345,727</u>	
CREDITORS: Amounts falling due within one year	16	(3,173,128)		(3,162,140)	
			<u>2,897,468</u>		<u>6,183,587</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			63,164,494		60,405,025
CREDITORS: Amounts falling due after more than one year	17		(24,985,226)		(25,173,312)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish housing association pension scheme	19	(148,000)		(1,384,000)	
			<u>(148,000)</u>		<u>(1,384,000)</u>
DEFERRED INCOME					
Social housing grants	20	(27,149,814)		(24,536,514)	
Other grants	20	(2,499,333)		(2,526,112)	
		<u>(29,649,147)</u>		<u>(27,062,626)</u>	
NET ASSETS					
			<u>8,382,121</u>		<u>6,785,087</u>
EQUITY					
Share capital	21		104		111
Revenue reserves			8,530,017		8,168,976
Pension reserves			(148,000)		(1,384,000)
			<u>8,382,121</u>		<u>6,785,087</u>

The financial statements were approved by the Board and authorised for issue and signed on their behalf on 19 August 2020.


Committee Member


Committee Member


Secretary

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

GLEN OAKS HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Surplus for the Year			530,041		1,000,883
<i>Adjustments for non-cash items:</i>					
Depreciation of tangible fixed assets	12	1,096,614		887,203	
Amortisation of intangible assets	12	37,739		37,556	
Amortisation of capital grants	20	(312,938)		(172,817)	
Gain on disposal of tangible fixed assets		(37,044)		(2,715)	
Non-cash adjustments to pension provisions		(169,000)		(183,660)	
Share capital written off	21	(13)		(7)	
			615,358		565,560
Interest receivable			(37,780)		(39,419)
Interest payable	8		1,156,603		1,041,805
Operating cash flows before movements in working capital			2,264,222		2,568,829
Change in debtors		121,016		(258,437)	
Change in creditors		(187,679)		662,908	
			(66,663)		404,471
Net cash inflow from operating activities			2,197,559		2,973,300
Investing Activities					
Acquisition and construction of properties		(7,093,240)		(4,416,285)	
Purchase of Intangible Fixed Assets		(27,657)		-	
Purchase of other fixed assets		(61,912)		(28,133)	
Social housing grant received		3,014,357		1,072,740	
Proceeds on disposal of housing properties		39,912		13,909	
Net cash outflow from investing activities			(4,128,540)		(3,357,769)
Financing Activities					
Loan Advances Received		1,000,000		5,000,000	
Loan redemption payments		(450,337)		-	
Interest received on cash and cash equivalents		37,780		39,419	
Interest paid on loans		(1,156,603)		(1,041,805)	
Loan principal repayments		(539,082)		(583,464)	
Share capital issued	21	6		1	
Net cash (outflow) / inflow from financing activities			(1,108,236)		3,414,151
(decrease)/increase in cash	26		(3,039,217)		3,029,682
Opening cash & cash equivalents			8,675,115		5,645,433
Closing cash & cash equivalents			5,635,898		8,675,115
Cash and cash equivalents as at 31 March					
Cash	26		5,635,898		8,675,115
			5,635,898		8,675,115

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

GLEN OAKS HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2020

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 1 April 2018	117	-	6,513,961	6,514,078
Issue of Shares	1	-	-	1
Cancellation of Shares	(7)	-	-	(7)
Other comprehensive income	-	(1,384,000)	654,132	(729,868)
Surplus for the year	-	-	1,000,883	1,000,883
Balance as at 31 March 2019	111	(1,384,000)	8,168,976	6,785,087
Balance as at 1 April 2019	111	(1,384,000)	8,168,976	6,785,087
Issue of Shares	6	-	-	6
Cancellation of Shares	(13)	-	-	(13)
Other comprehensive income	-	1,067,000	-	1,067,000
Other movements	-	169,000	(169,000)	-
Surplus for the year	-	-	530,041	530,041
Balance as at 31 March 2020	104	(148,000)	8,530,017	8,382,121

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

GLEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice for social housing providers 2018. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods beginning on or after 1 January 2019. They comply with the Determination of Accounting Requirements 2019. A summary of the principal accounting policies is set out below.

Revenue

Revenue comprises rental and service charge income receivable in the period, other services provided, revenue grants receivable and government grants released to income in the period.

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

Government grants are released to income over the expected useful life of the asset to which they relate. Revenue grants are receivable when the conditions for receipt of the agreed grant funding have been met.

Retirement Benefits

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

Going Concern

On the basis that the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, the Association has adopted the going concern basis of accounting in preparing these financial statements.

GLEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Housing Properties

Housing properties are held for the provision of social housing. Housing properties are stated at cost less accumulated depreciation and impairment losses. Cost includes acquisition of land and buildings and development cost. The Association depreciates housing properties over the useful life of each major component. Housing under construction and land are not depreciated.

<i>Component</i>	<i>Useful Economic Life</i>
Kitchens	Over 15 years
Bathrooms	Over 20 years
Boilers/Fires	Over 15 years
Windows/Doors	Over 25 years
Land	Not depreciated
Structure	Over 100 years
Roofs	Over 60 years
Mechanical Systems	Over 30 years
Electrics	Over 30 years
Windows 2	Over 45 years

Depreciation and Impairment of Other Tangible Assets

Non-current assets are stated at cost less accumulated depreciation. Depreciation is charged over the expected economic useful lives of the assets at the following annual rates:

<i>Asset Category</i>	<i>Depreciation Rate</i>
Office Premises	2% Per annum
Furniture and Equipment	25% Per annum
Motor Vehicles	25% Per annum
Housing Software	10% Per annum

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

Social Housing Grants and Other Capital Grants

Social housing grants and other capital grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which they relate.

Social housing grant attributed to individual components is written off to the statement of comprehensive income when these components are replaced.

Although social housing grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

Sales Of Housing Properties

First tranche shared ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the statement of recommended practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the statement of comprehensive income.

Disposals under shared equity schemes are accounted for in the statement of comprehensive income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

GLEEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Taxation

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

Leases

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated over their useful lives or the term of the lease, whichever is shorter.

Works to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property, a material reduction in future maintenance costs, or a significant extension of the life of the property.

Capitalisation Of Development Overheads

Directly attributable development administration costs relating to ongoing development activities are capitalised.

VAT

The Association was previously registered for VAT but de-registered during the 2019/20 financial period. A substantial proportion of its income is exempt for VAT purposes. As a result most of the VAT paid is not recovered and therefore expenditure is shown inclusive of VAT.

Investment Properties

Investment properties are stated on an EUV-SH basis with the latest valuation having been performed by an independent professional adviser, JLL, in June 2018.

GLEEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Key Judgements and estimates made in the application of Accounting Policies

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

Key Judgements

a) Categorisation of Housing Properties

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

b) Identification of cash generating units

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

c) Financial instrument break clauses

The Board has considered the break clauses attached to the financial instruments that it has in place for its loan funding. In their judgement these break clauses do not cause the financial instrument to be classified as a complex financial instrument and therefore they meet the definition of a basic financial instrument.

d) Pension Liability

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

Estimation Uncertainty

a) Rent Arrears - Bad Debt Provision

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

b) Life Cycle of Components

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

c) Useful life of properties, plant and equipment

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

d) Costs of shared ownership

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

e) Defined pension liability

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

GLEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT

	Notes	Turnover £	Operating costs £	Operating surplus / (deficit) £	Turnover £	Operating costs £	Operating surplus / (deficit) £
Affordable letting activities	3	6,476,090	4,422,008	2,054,082	6,154,327	3,749,218	2,405,109
Other Activities	4	179,283	590,293	(411,010)	275,909	617,120	(341,211)
Total		6,655,373	5,012,301	1,643,072	6,430,236	4,366,338	2,063,898

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

	General Needs Housing £	Shared Ownership -	2020 Total £	2019 Total £
Revenue from Lettings				
Rent receivable net of service charges	5,948,542	102,766	6,051,308	5,807,911
Service charges receivable	147,642	347	147,989	119,637
Gross income from rent and service charges	6,096,184	103,113	6,199,297	5,927,548
Less: Rent losses from voids	36,146	-	36,146	35,867
Income from rents and service charges	6,060,038	103,113	6,163,151	5,891,681
Grants released from deferred income	312,939	-	312,939	262,646
Total turnover from affordable letting activities	6,372,977	103,113	6,476,090	6,154,327
Expenditure on affordable letting activities				
Management and maintenance administration costs	1,822,680	14,016	1,836,696	1,712,005
Service costs	176,935	-	176,935	142,581
Planned and cyclical maintenance, including major repairs	499,315	-	499,315	259,091
Reactive maintenance costs	750,905	-	750,905	723,253
Bad Debts - rents and service charges	97,838	-	97,838	65,885
Depreciation of affordable let properties	1,050,681	9,638	1,060,319	846,403
Operating costs of affordable letting activities	4,398,354	23,654	4,422,008	3,749,218
Operating surplus on affordable letting activities	1,974,623	79,459	2,054,082	2,405,109
2019	2,160,157	244,952		

GLEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Grants from Scottish Ministers	Other revenue grants	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2020	Operating surplus / (deficit) 2019
	£	£	£	£	£	£	£	£
Wider role activities	106,956	540	-	107,496	-	344,059	(236,563)	(191,299)
Factoring	-	-	63,975	63,975	-	61,927	2,048	(480)
Uncapitalised development administration costs	-	-	-	-	-	131,708	(131,708)	(99,092)
Other activities	-	-	7,812	7,812	-	33,597	(25,785)	(33,350)
Rechargeable repairs	-	-	-	-	13,896	5,106	(19,002)	(16,990)
Total From Other Activities	106,956	540	71,787	179,283	13,896	576,397	(411,010)	(341,211)
2019	275,215	-	694	275,909	11,762	605,358	(341,211)	

GLEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OFFICERS' EMOLUMENTS

	2020 £	2019 £
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Board, managers and employees of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	<u>321,124</u>	<u>300,202</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>29,131</u>	<u>40,627</u>
Emoluments payable to Chief Executive (excluding pension contributions)	79,673	77,878
Pension contributions paid on behalf of the Chief Executive	<u>8,199</u>	<u>11,815</u>
Total emoluments payable to the Chief Executive	<u>87,872</u>	<u>89,693</u>
Total emoluments paid to Key Management personnel	<u>350,254</u>	<u>340,829</u>

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

	Number	Number
£60,001 to £70,000	2	3
£70,001 to £80,000	<u>2</u>	<u>1</u>

6. EMPLOYEE INFORMATION

	2020 No.	2019 No.
Average monthly number of full time equivalent persons employed during the year	<u>32</u>	<u>29</u>
Average total number of employees employed during the year	<u>34</u>	<u>32</u>
Staff costs were:	£	£
Wages and salaries	1,142,335	1,055,601
National insurance costs	114,022	108,407
Pension costs	115,016	137,469
Temporary, agency and seconded staff	29,873	7,441
	<u>1,401,246</u>	<u>1,308,918</u>

GLEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. GAIN ON SALE OF HOUSING STOCK

	2020	2019
	£	£
Sales proceeds	38,660	13,909
Cost of sales	<u>2,868</u>	<u>10,148</u>
Gain on sale of housing stock	<u>35,792</u>	<u>3,761</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£	£
On bank loans and overdrafts	<u>1,156,603</u>	<u>1,079,195</u>

9. SURPLUS FOR THE YEAR

	2020	2019
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	1,095,801	885,342
Loss on component disposals	2,920	-
Auditors' remuneration - audit services	9,000	9,000
Gain on sale of other non-current assets	<u>(1,252)</u>	<u>(2,715)</u>

10. CORPORATION TAX

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

11. OTHER FINANCE INCOME / (CHARGES)

	2020	2019
	£	£
Net interest on pension obligations	<u>(30,000)</u>	<u>(27,000)</u>

GLEEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

12. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Care Home £	Total £
COST					
At 1 April 2019	62,534,651	1,334,134	1,516,466	1,130,981	66,516,232
Additions	1,904,273	5,188,967	-	-	7,093,240
Disposals	(261,854)	-	(2,868)	-	(264,722)
Transfers	31,188	3,570	(34,758)	-	-
At 31 March 2020	<u>64,208,258</u>	<u>6,526,671</u>	<u>1,478,840</u>	<u>1,130,981</u>	<u>73,344,750</u>
DEPRECIATION					
At 1 April 2019	11,568,240	-	1,209,059	152,620	12,929,919
Charge for Year	1,034,084	-	9,638	15,784	1,059,506
Transfers	28,154	-	(28,154)	-	-
Disposals	(261,041)	-	-	-	(261,041)
At 31 March 2020	<u>12,369,437</u>	<u>-</u>	<u>1,190,543</u>	<u>168,404</u>	<u>13,728,384</u>
NET BOOK VALUE					
At 31 March 2020	<u>51,838,821</u>	<u>6,526,671</u>	<u>288,297</u>	<u>962,577</u>	<u>59,616,366</u>
At 31 March 2019	<u>50,966,411</u>	<u>1,334,134</u>	<u>307,407</u>	<u>978,361</u>	<u>53,586,313</u>

Expenditure on Existing Properties	2020		2019	
	Component replacement £	Improvement £	Component replacement £	Improvement £
Amounts capitalised	1,338,337	501,255	2,997,484	75,816
Amounts charged to the statement of comprehensive income	-	1,250,220	-	982,344
	<u>1,338,337</u>	<u>1,751,475</u>	<u>2,997,484</u>	<u>1,058,160</u>

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carry value of £43,456,295 (2019 - £44,581,672).

The depreciation charge on housing properties as shown above differs from that per Note 3 due to accelerated depreciation on component replacements.

GLEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Machinery & Equipment £	Total £
COST				
At 1 April 2019	334,168	321,746	10,183	666,097
Additions	-	45,961	15,951	61,912
Eliminated on disposals	-	(1,871)	(10,183)	(12,054)
At 31 March 2020	<u>334,168</u>	<u>365,836</u>	<u>15,951</u>	<u>715,955</u>
DEPRECIATION				
At 1 April 2019	83,028	259,624	10,183	352,835
Charge for year	6,686	27,618	1,991	36,295
Eliminated on disposals	-	(1,871)	(10,183)	(12,054)
At 31 March 2020	<u>89,714</u>	<u>285,371</u>	<u>1,991</u>	<u>377,076</u>
NET BOOK VALUE				
At 31 March 2020	<u>244,454</u>	<u>80,465</u>	<u>13,960</u>	<u>338,879</u>
At 31 March 2019	<u>251,140</u>	<u>62,122</u>	<u>-</u>	<u>313,262</u>

12. (c) Intangible assets

	Housing Software £	Total £
COST		
At 1 April 2019	375,561	375,561
Additions	27,657	27,657
At 31 March 2020	<u>403,218</u>	<u>403,218</u>
AMORTISATION		
At 1 April 2019	82,198	82,198
Charge for year	37,739	37,739
At 31 March 2020	<u>119,937</u>	<u>119,937</u>
NET BOOK VALUE		
At 31 March 2020	<u>283,281</u>	<u>283,281</u>
At 31 March 2019	<u>293,363</u>	<u>293,363</u>

13. FIXED ASSET INVESTMENTS

	2020 £	2019 £
At 1 April 2019 and 31 March 2020	<u>28,500</u>	<u>28,500</u>

The above investments relate to investment properties which were valued by an independent professional adviser, JLL, in June 2018 on an EUV-SH Basis.

GLEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

14. RECEIVABLES		
	2020	2019
	£	£
Gross arrears of rent & service charges	383,512	379,499
Less: Provision for doubtful debts	(188,358)	(86,692)
<i>Net arrears of rent and service charges</i>	195,154	292,807
Social housing grant receivable	-	114,898
Other receivables	239,544	262,907
	<u>434,698</u>	<u>670,612</u>

15. CASH AND CASH EQUIVALENTS		
	2020	2019
	£	£
Cash at bank and in hand	5,635,898	8,675,115
	<u>5,635,898</u>	<u>8,675,115</u>

16. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2020	2019
	£	£
Bank loans	664,020	465,353
Trade payables	628,781	836,266
Rent received in advance	150,102	179,225
Other taxation and social security	-	421
Other payables	990,815	990,759
Accruals and deferred income	739,410	690,116
	<u>3,173,128</u>	<u>3,162,140</u>

17. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2020	2019
	£	£
Bank loans	24,985,226	25,173,312
	<u>24,985,226</u>	<u>25,173,312</u>

18. DEBT ANALYSIS - BORROWINGS		
	2020	2019
	£	£
Bank Loans		
Amounts due within one year	664,020	465,353
Amounts due in one year or more but less than two years	664,020	467,790
Amounts due in two years or more but less than five years	1,992,060	1,446,002
Amounts due in more than five years	22,329,146	23,259,520
	<u>25,649,246</u>	<u>25,638,665</u>

The Association has a number of bank loans the principal terms of which are as follows:

Lender	Number of Properties Secured	Effective Interest Rate	Maturity (Year)	Variable or Fixed
Nationwide	Standard security over 5 properties	3.8%	2033	Variable
Nationwide	Standard security over 33 properties	1.3%	2030	Variable
Nationwide	Standard security over 22 properties	3.8%	2033	Variable
Nationwide	Standard security over 53 properties	1.3%	2034	Variable
RBS	Standard security over 78 properties	2.4%	2025	Variable
RBS	Standard security over 78 properties	2.4%	2041	Variable
THFC	Standard security over 913 properties	6.4%	2039	Fixed
Bank of Scotland	Standard security over 145 properties	3.2%	2043	Fixed
Bank of Scotland	Standard security over 145 properties	2.6%	2043	Variable

GLEEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

Glen Oaks Housing Association Limited participated in the Scottish Housing Association 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, sets out the framework for funding defined benefit occupational pensions schemes in the UK.

The last valuation of the Scheme was performed as at 30 September 2018 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £877m. The valuation revealed a shortfall of assets compared with the value of liabilities of £121m (equivalent to a past service funding level of 89%). A recovery plan is in place to eliminate the past service deficit which runs to 28 February 2022.

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal, then the liability of the withdrawing employer is reapportioned amongst the remaining employers. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

In 2019 the Pensions Trust, the administrator of the Scheme, developed a method of determining the share of assets and liabilities for individual employers. This method was adopted by the Association in 2019 and resulted in an adjustment to the opening pension liability recognised in the statement of financial position of £303,868.

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

	2020	2019
	£	£
Fair value of plan assets	7,381,000	6,761,000
Present value of defined benefit obligation	7,529,000	8,145,000
Surplus / (deficit) in plan	<u>(148,000)</u>	<u>(1,384,000)</u>
Defined benefit asset / (liability) to be recognised	<u>(148,000)</u>	<u>(1,384,000)</u>

GLEEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2020	2019
	£	£
Defined benefit obligation at the start of period	8,145,000	7,497,000
Expenses	6,000	-
Interest expense	190,000	193,000
Actuarial losses (gains) due to scheme experience	142,000	(48,000)
Actuarial losses (gains) due to changes in demographic assumptions	(45,000)	20,000
Actuarial losses (gains) due to changes in financial assumptions	(868,000)	551,000
Benefits paid and expenses	(41,000)	(75,000)
Defined benefit obligation at the end of period	<u>7,529,000</u>	<u>8,145,000</u>

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

	2020	2019
	£	£
Fair value of plan assets at start of period	6,761,000	6,356,000
Interest income	160,000	166,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	296,000	97,000
Contributions by the employer	205,000	217,000
Contributions by plan participants	-	-
Benefits paid and expenses	(41,000)	(75,000)
Fair value of plan assets at the end of period	<u>7,381,000</u>	<u>6,761,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £456,000

GLEEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2020	2019
	£	£
Expenses	6,000	7,000
Net interest expense	30,000	27,000
	<u>36,000</u>	<u>34,000</u>
Defined benefit costs recognised in statement of comprehensive income	36,000	34,000
	<u>36,000</u>	<u>34,000</u>

Defined benefit costs recognised in the other comprehensive income

	2020	2019
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	296,000	97,000
Experience gains and losses arising on plan liabilities - gain /(loss)	(142,000)	48,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	45,000	(20,000)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	868,000	(551,000)
	<u>1,067,000</u>	<u>(426,000)</u>
Total amount recognised in other comprehensive income - gain (loss)	1,067,000	(426,000)
	<u>1,067,000</u>	<u>(426,000)</u>

GLEEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2020	2019
	£'000	£'000
Absolute Return	453	573
Alternative Risk Premia	592	378
Corporate Bond Fund	539	474
Credit Relative Value	178	117
Distressed Opportunities	135	115
Emerging Markets Debt	262	217
Fund of Hedge Funds	-	19
Global Equity	1,015	1,088
Infrastructure	435	283
Insurance-Linked Securities	198	175
Liability Driven Investment	1,944	2,406
Long Lease Property	180	82
Net Current Assets	56	7
Over 15 Year Gilts	94	174
Private Debt	146	87
Property	137	134
Risk Sharing	234	196
Secured Income	410	236
Opportunistic Liquid Credit	180	-
Liquid credit	193	-
Total assets	<u>7,381</u>	<u>6,761</u>

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

Key Assumptions

	2020	2019	2018
Discount Rate	2.4%	2.3%	2.6%
Inflation (RPI)	2.6%	3.3%	3.2%
Inflation (CPI)	1.6%	2.3%	2.2%
Salary Growth	2.6%	3.3%	3.2%
Allowance for commutation of pension for cash at retirement	<u>75%</u>	<u>75%</u>	<u>75%</u>

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

	Life expectancy at age 65 years (years)
Male retiring in 2020	21.5
Female retiring in 2020	23.2
Male retiring in 2040	22.8
Female retiring in 2040	<u>24.5</u>

GLEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
Capital grants received			
At 1 April 2019	30,021,057	2,677,957	32,699,014
Additions in the year	2,899,459	-	2,899,459
At 31 March 2020	<u>32,920,516</u>	<u>2,677,957</u>	<u>35,598,473</u>
Amortisation			
At 1 April 2019	5,484,543	151,845	5,636,388
Amortisation in year	286,159	26,779	312,938
At 31 March 2020	<u>5,770,702</u>	<u>178,624</u>	<u>5,949,326</u>
Net book value			
At 31 March 2020	<u>27,149,814</u>	<u>2,499,333</u>	<u>29,649,147</u>
At 31 March 2019	<u>24,536,514</u>	<u>2,526,112</u>	<u>27,062,626</u>
Total at 31 March 2020	<u>27,149,814</u>	<u>2,499,333</u>	<u>29,649,147</u>
Total at 31 March 2019	<u>24,536,514</u>	<u>2,526,112</u>	<u>27,062,626</u>

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

	2020 £	2019 £
Amounts due within one year	312,938	172,817
Amounts due in more than one year	29,336,209	26,889,809
	<u>29,649,147</u>	<u>27,062,626</u>

21. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2020 £	2019 £
At 1 April	111	117
Issued in year	6	1
Cancelled in year	(13)	(7)
At 31 March	<u>104</u>	<u>111</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.

GLEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

22. DETAILS OF ASSOCIATION

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

The Association's principal place of business is 3 Kilmuir Drive, Arden, Glasgow, G46 8BW.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in the Greater Pollok area of South West Glasgow.

23. BOARD MEMBER EMOLUMENTS

Board members received £994 (2019 - £518) in the year by way of reimbursement of expenses. No remuneration is paid to Board members in respect of their duties to the Association.

24. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2020 No.	2019 No.
General needs	1,312	1,301
Shared ownership	37	38
	<u>1,349</u>	<u>1,339</u>

25. RELATED PARTY TRANSACTIONS

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

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

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

	2020 £	2019 £
Rent received from tenants on the Board and their close family members	<u>45,616</u>	<u>27,509</u>

At the year end total rent arrears owed by the tenant members on the Board (and their close family) were £1,565 (2019 - £1,998).

Members of the Board who are tenants	7	5
Members of the Board who are local authority employees	1	1

GLEN OAKS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

26 STATEMENT OF CASH FLOWS

Reconciliation of net cash flow to movement in net funds

	£	2020 £	£	2019 £
(Decrease) / increase in cash	(3,039,217)		3,029,682	
Cashflow from change in net debt	(10,581)		(4,416,536)	
	<u> </u>		<u> </u>	
Movement in net debt during the year		(3,049,798)		(1,386,854)
Net debt at 1st April 2019		(16,963,550)		(15,576,696)
		<u> </u>		<u> </u>
Net debt at 31 March 2020		(20,013,348)		(16,963,550)

	At 01 April 2019	Cashflows	Other Changes	At 31 March 2020
Cash at bank and in hand	8,675,115	(3,039,217)	-	5,635,898
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Debt: Due within one year	(465,353)	(10,581)	(188,086)	(664,020)
Due after more than one year	(25,173,312)	-	188,086	(24,985,226)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Debt	(16,963,550)	(3,049,798)	-	(20,013,348)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

27 CAPITAL COMMITMENTS

	2020 £	2019 £
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	937,907	6,181,844
	<u> </u>	<u> </u>

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

28 POST BALANCE SHEET EVENT

At the time of approving the financial statements the United Kingdom is impacted by the Coronavirus pandemic. The Association is monitoring the position and updating its plans accordingly. Like most RSLs, however, the virus is likely to impact the Association's activities.