MARYHILL HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

The Scottish Housing Regulator No HCB159
Financial Conduct Authority No 1904R(S)
Scottish Charity Number SC032468

BOARD, EXECUTIVES AND ADVISERS

Board

Roger Popplewell	Chairperson
Richard Turnock	
Isabella McTaggart	
Tim Holmes	
Paul Imrie	
Najah Plakaris	
Lyndsey Forrest	Appointed 28 July 2020
Raphael Rickson	Appointed 28 July 2020
Les Currie	Resigned 6 July 2020
Sandra Blair	Resigned 5 July 2020
Lorna Blain (nee Brennan)	Resigned 26 June 2020
Vusomuzi Makuyana	Resigned 26 March 2020
Lorain Mackinnon	Resigned 16 March 2020
Linda Duff	Resigned 28 January 2020
Elizabeth Smith	Resigned 25 September 2019
Brian Treaty	Resigned 27 June 2019
Councillor Franny Scally	Resigned 24 May 2019

Registered Office
45 Garrioch Road
Maryhill
Glasgow
G20 8RG

Executive Officers

Bryony Willett	Chief Executive and Secretary
Jennifer Simon	Director of Operations
Rebecca Wilson	Director of Resources

Auditor
Scott-Moncrieff Audit Services
25 Bothwell Street
Glasgow
G2 6NL

Internal auditor
Wylie & Bisset
168 Bath Street
Glasgow
G2 4TP

Bankers
Royal Bank of Scotland
5th Floor
Kirkstane House
139 St Vincent Street
Glasgow
G2 5JF

Solicitors
T C Young
7 West George Street
Glasgow
G2 1BA

Harper McLeod LLP
The Ca'd'oro
45 Gordon Street
Glasgow
G1 3PE

Registration numbers

The Scottish Housing Regulator	HCB159
Financial Conduct Authority	1904R(S)
Registered Scottish Charity	SC032468

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

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 (No.1904R(S)). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC032468.

Principal Activity

The principal activity of the Association is the provision and management of social housing for rent and the maintenance, development and regeneration of its community base of Maryhill and Ruchill.

Review of Business and Future Developments

COVID-19 Impact

In March 2020, in response to the restrictions relating to the COVID-19 pandemic, the Association closed its offices and restricted delivery of services within customers' homes to all but essential services. Home working arrangements were put in place for the vast majority of office based staff, whilst the on site Neighbourhood Team service moved to restricted duties and reduced staff rota. The Association has implemented regular monitoring of the resulting impact on activities; risk management actions and relaunch planning. The anticipated financial impact on the Association is being monitored and an updated budget and business plan will be presented to the September 2020 Board. The main financial implications for the Association are expected to be an increase in rent arrears; delayed spending on the investment programme and delayed commencement of newbuild development projects. Whilst these factors will have an impact on financial performance and timing of activities, there is no expectation that this will have a material impact on the Association's going concern status.

Corporate Governance

Maryhill Housing Association Limited is governed by a voluntary Board which is elected by its members. Its responsibility is to agree the long term strategy, business plan and overall direction of the Association. The Board is supported by the Chief Executive, Directors and specialist staff. The Association reviews its Governance Effectiveness Plan annually. Actions in the 2019/20 Governance Effectiveness Plan included the introduction of quarterly Assurance Boards and full self-assessment against the Scottish Housing Regulator's April 2019 Regulatory Framework.

The Board reviewed its Board and Committee Structure in light of the Scottish Housing Regulator's new Regulatory Framework. A new simplified structure was approved in January 2019. From April 2019 quarterly Assurance Boards have been introduced and previous Policy and Performance and Staffing Committees were deleted. The Audit and Risk Committee will continue to meet quarterly but the remit and delegations were reviewed.

The Board is accountable to the members of the Association. The Board serves in a voluntary capacity and we recognise that this puts more onus on us to set and achieve high standards of professionalism. Board appraisals are carried out annually and we have a programme of training to assist with Board members' development.

During 2018 we successfully recruited three new tenant Board members to ensure our Board remains representative of our tenant base and during June 2020 a further recruitment exercise was undertaken. We work with nine Registered Tenants Organisations (RTOs) and are committed to providing customers with opportunities to influence the organisation's future. Our approach to tenant scrutiny was developed in partnership with the Tenants' Information Service. The Service Improvement Panel (scrutiny group) are currently reviewing customer contact.

The Association's Board conforms to a clear Code of Conduct to ensure the highest standards of governance are maintained and any potential breaches of our Code of Conduct are treated seriously and managed in line with the process set out in the Code of Conduct.

In June 2020 the Association commissioned an investigation into potential breaches of the Board Member Code of Conduct.

The Association subsequently commissioned a review of the internal process followed by the Association when dealing with these potential breaches of the Code of Conduct. The outcome of this review was considered by the Board on 3 August 2020 and an action plan put in place to take forward learning points from the review.

In the period 26 June to 6 July 2020 three Board Members tendered their resignation from the Board, bringing the total Board membership below the threshold of 7 members specified in the Rules. The Board appointed two new Board members to fill causal vacancies on 28 July 2020, which brought total membership to 8. However, at the time of reporting the Board membership comprises 4 tenants and 4 independents and therefore does not meet the tenant majority requirement in its Rules. The Board has an action plan in place to rectify this non-compliance with the Rules by 5 January 2021.

Strategic Planning

In April 2019 the Board developed a new Corporate Plan up to 2022, setting out a new clarified mission statement, vision for the future, strategic priorities and organisational values. The plan was developed with the staff team drawing on a range of feedback from customers, stakeholders and the external environment. The 2020/21 annual Corporate Business Plan pulls together these strategic and service priorities, risks and financial capacity into a single document. The Corporate Business Plan also includes our annual Delivery Plan for 2020/21. Each team sets its own Team Delivery Plan which supports the achievement of the organisation-wide Delivery Plan.

The Association's vision is: Great homes in strong and thriving communities.

Our mission is: Providing great housing and services for our customers; supporting strong, inclusive communities in North West Glasgow.

Our values are to:

- Think customer first;
- Deliver on our promises;
- Celebrate diversity; and
- Keep improving.

Our long term strategic objectives are to:

- Improve customer experience and increase customer satisfaction;
- Address poverty and enable customers to make their lives better; and
- Provide better homes and developing neighbourhoods to feel proud of.

Achievements and Performance

Summary

In 2019/20 the Association aimed to stabilise its staff team after a number of years of significant change. The focus of the year was to deliver on key customer priorities such as replacing inefficient heating systems and improving customers' experience of contacting the Association. The Association submitted its first Annual Assurance Statement in October 2019 and self-assessed as working towards full compliance. This is because of issues identified with management of asbestos which the Association is currently working to address. In 2019/20 the Regulator engaged with us around our Development Programme and an update on progress was provided in October 2019.

Achievements and Performance (continued)

Summary (continued)

The Association is committed to ensuring our rents remain affordable and in 2017 introduced a savings target of £750k of ongoing savings over seven years. The 2020/21 budget demonstrates that this target has already been exceeded, with an £850k reduction in costs having been achieved. The 2020/21 business plan sets a new value for money challenge, with a further £500k of savings to be achieved, with £250k to be achieved in 2021/22 and a further £250k in 2024/25.

Our long term value for money aim is to move to CPI only rent increases as soon as possible. Our 2019/20 business plan assumes that rents increase at CPI + 1% from 2021/22 to 2024/25 and then CPI only from 2025/26. This is a significant reduction in the rent increase assumptions contained in the previous year's business plan and should ensure that our rents stay consistent with or lower than our peers, and continue to be affordable to tenants in the long term.

The results for the year are shown in the Statement of Comprehensive Income. In the year to 31 March 2020 the Association made an operating surplus of £1,654,544, an overall surplus of £1,031,982 and had total comprehensive income of £2,692,282 due to actuarial gains on the defined benefit pension schemes of £1,661,000.

The Association had net assets of £30,198,575 as at 31 March 2020.

Improving customer experience and increasing customer satisfaction

Our 3 yearly tenant and owner survey was completed in 2018 by 30% of our customers. Unfortunately satisfaction had reduced in 7 of the 8 key performance indicators since the previous survey in 2015. Overall satisfaction reduced from 83% to 80%. The exception to this was owners' satisfaction which increased from 45% to 54% following a significant programme of improvements to the factoring service.

Our three yearly Corporate Plan identifies improving customer satisfaction as a key priority for the Association. The key issues identified from customer feedback were energy efficiency and fuel poverty and satisfaction with the way the Association deals with more complex long standing repairs and maintenance issues. The Association has approximately 1,000 properties heated by electric storage heaters which are unpopular, expensive and very difficult to control. In 2018 the Association commissioned a feasibility study to consider options for the replacement of these heating systems and in 2019 commenced a pilot project to install thirty air source heat pumps in our mini multi and high rise properties and over £1.5m in external grant funding has been secured to help fund the cost of installing sir source heat pumps in a further 330 properties. Our 2020/21 financial business plan sets aside resources to replace all of these heating systems with a more energy efficient solution over the next five years.

Customer feedback from complaints and other sources also suggests that customer experience of contacting the Association needs to improve. During 2019 we developed a new Customer Charter which set out what standards our customers can expect from us. Our new patch-based frontline teams are using remote working technology to spend more time with customers and out in the community. We commenced a programme of bi-annual visits in January 2019 where we are capturing more live customer satisfaction data.

In 2018/19 we also launched our customer portal so that customers can contact the Association in a way and time that suits them. During 2019/20 we developed this functionality and are working towards a full paperless option. Towards the end of 2020/21 we will launch an online self-service for booking repairs.

In 2019/20 we continued our focus on developing our staff team. We supported a number of staff through professional qualifications and all of our managers completed a behavioural science training programme. We revised our appraisal process to ensure our teams are challenged and supported and secured Healthy Working Lives Silver award because of our focus on employee wellbeing.

Addressing poverty and enabling customers to make their lives better

During 2019/20 we continued to benefit from funding from the Scottish Government to support our welfare benefits and financial inclusion services, providing our customers with advice and support on financial matters and welfare reform. We have successfully secured over £100k to support our customers and the wider Maryhill and Ruchill communities through the impact of the covid-19 pandemic.
In 2018/19 we successfully delivered a project to provide internet free of charge to customers in our high rise blocks. Seventy five percent of customers in these blocks have received this service and the Association has taken the decision to extend this service permanently. Customers in our mini-multi blocks are also supportive of the installation of Smart Heating systems including high speed, affordable internet and cost efficient heating.

Consultation and involvement with tenants is vital to the Association and during 2019/20 we produced a new Customer Engagement Strategy which set out a new innovative approach to customer consultation developed in partnership with the Scottish Federation of Housing Association’s Innovation Hub. This new focus on more digital communication has significantly improved our response rates. Over 500 tenants told us what they thought about rent increase proposals in Autumn 2019. We continue to work with Registered Tenants Organisations, Maryhill and Summerston Community Council, Ruchill Community Council and other stakeholders to seek feedback on our services.

Our Service Improvement Panel (scrutiny group) were recognised for Excellence in Scrutiny at the Chartered Institute of Housing Scotland Awards in 2018 due to the impact of their reviews of repairs and investment works. The group are currently reviewing customer contact with the Association.

The Association continues to form strong partnerships to maximise the impact of services in the community. Our current partners include: local community councils, Glasgow Life, Jobs and Business Glasgow, LifeLink, Action for Children, North United Communities, neighbouring housing associations Queens Cross Housing Association Limited, North Glasgow Housing Association Limited and Cadder Housing Association Limited, Police Scotland, the Fire Service and Community Safety Glasgow. Projects delivered through these partnerships include job clubs; IT classes; parenting support; fire safety briefings and counselling support.

In 2019 we reviewed our Procurement and Community Benefits Policy to maximise benefits from high spend capital project such as new build schemes and stronger contractual levers, such as invoicing in advance for community benefits. Our Community Fund was a great success in 2019/20 channelling £60k back into the community. In 2019 we reviewed our Customer Kitty customer grants and bursary scheme and awarded over £10k to support customers to improve their employment prospects; take up education opportunities and enrich their lives.

Providing better homes and developing neighbourhoods to feel proud of

Maryhill Housing Association wants to ensure that all its homes are maintained to an excellent standard and we do this through a programme of cyclical and planned maintenance work and renewal as well as through our reactive repair service.

In 2019/20 we delivered a broad ranging investment programme with projects such as kitchen and bathroom replacements; environmental improvements; window and door replacements air source heat pump installations and boiler replacements. In total we spent £1,962,157 improving customers’ homes during 2019/20.

In 2020/21 our focus will be on further energy efficiency improvements as we work towards the Energy Efficiency Standard for Social Housing (EESSH) by December 2020; high rise fire safety works; completion of window and door replacements; high rise foyer improvements and further air source heat pump installations. The elements where we anticipate the biggest impact as a result of Covid-19 restrictions are on the delivery of the high rise foyer improvements and the air source heat pump installations, where we anticipate a delay of approximately 6 months. We were projecting to spend £3.5m on improvements in 2020/21 but due to the Covid-19 delays we anticipate a reduction in this in the region of £1m. We will supplement our resources with grant funding for energy efficiency improvements.

Providing better homes and developing neighbourhoods to feel proud of (continued)

In Spring 2017 we launched a new partnership approach to the delivery of new housing with Queens Cross Housing Association Limited through the North West Partners Development Hub which is responsible for developing a joint development programme of 600 units over five years. The main benefits of this approach are: sharing skills and expertise; increased strategic and political impact in the North of Glasgow; attracting skilled development staff looking for a challenge and economies of scale and efficiencies. Our Board approved a new Development Policy in 2018. We will build new affordable housing that contributes to meeting our strategic objectives, is viable, is aligned with the priorities set out in the Glasgow Housing Strategy and Strategic Housing Investment Plan and responds to the North West Glasgow Housing Needs and Demand Assessment. The key priorities identified for development are:

- Low density family housing;
- Tenure diversification;
- Older people's accommodation;
- Specialist accommodation (e.g. for people with disabilities); and
- Sites of strategic importance to the regeneration of Maryhill (e.g. derelict buildings).

We have three schemes totalling approximately 100 units with planning consent and offers of housing association grant funding. These schemes were due to start on site in spring 2020 but due to covid-19 this will be delayed to late summer or autumn 2020. We are developing our pipeline of new build housing and are investigating sites for land banking. Our programme includes both mid-market rent properties and new supply shared equity units. During 2020/21 we will be developing our subsidiary Maryhill Communities Limited for the management of the mid-market rent properties which are included within the newbuild development programme starting in autumn 2020 and also the longer term pipeline programme.

Performance Management

Service delivery is underpinned by employee performance and remains a high priority. The Association is committed to staff training and development and in 2020/21 we continued to invest in a programme of professional qualifications for our finance, HR, IT, housing, property and customer contact teams. Our performance management framework and Team Delivery Plans are clearly linked to appraisal objectives and corporate Delivery Plan priorities.

A rolling programme of internal audit supports the Association's values around 'keep improving' and compliance. In 2019/20 internal audits were completed in respect of EESSH compliance; contract management; procurement; welfare reform; freedom of information; complaints handling and customer experience and reactive repairs. Actions following these audits are being tracked through our Audit and Risk Committee. The audit programme for 2020/2021 has been approved by the Association's Board. In addition to traditional internal audits the Association is also piloting other third lines of defence such as peers reviews and a specialist review of landlord health and safety commissioned jointly with other Associations.

Treasury Management

The Association secured a new loan facility in 2019 to support our new build programme. The Association procured the services of an external treasury adviser to provide support during this process. The new £35m facility with RBS delivers reduced interest rates for the Association.

Under the terms of the loan agreement with Royal Bank of Scotland the Association is required to meet a number of financial covenants. These loan covenants were all achieved and are projected to be achieved throughout our thirty year financial plan.

The Association approved a new Treasury Strategy in July 2020.

Risk Management

The Association maintained a strategic risk register and a strategic risk map during 2019/20. This assesses the business risks faced by the organisation and implements risk management controls to mitigate the risk where possible. This involves identifying the types of risks, prioritising them in terms of likelihood and impact and identifying and implementing controls. Strategic risks are monitored quarterly by the Association's Audit and Risk Committee and Board.

The approach to risk management has been reviewed and an assurance framework is being developed that ensures risk management is owned across the Association.

During 2019/20, following consultation with affected staff, the Association took the decision to close the SHAPS CARE 1/80ths defined benefit pension scheme. This change came into effect on 1 April 2020. In taking this decision the Association addressed considerations of value for money and rent affordability, as well as mitigation of the risk of future accrual of additional past service liability.

Board Members and Executive Officers

The members of the Board and the Executive Officers are listed on the first page of the financial statements.

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 Association for the purposes of charity law. Members of the Board are appointed by the members at the Association's Annual General Meeting.

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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association. The Board must 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 issued by the Scottish Housing Regulator. It 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 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; and
- 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 mis-statement or loss.

Statement on Internal Financial Control (continued)

Key elements of the Association's systems include ensuring that:

- formal policies and procedure are in place, including the on-going documentation of key systems and rules relating to the delegation of authority, which allows the monitoring of controls and restricts the unauthorised use of the 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;
- monthly and 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; and
- 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 £2,454 (*2019: £1,501*).

Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are members of the Board at the time the report is approved:

- so far as the Board members are aware, there is no relevant information of which the Association's auditor is unaware; and
- he/she has taken all the steps that he/she ought to have taken as a Board member in order to make himself/herself aware of any relevant information, and to establish that the Association's auditor is aware of the information.

Auditor

The appointed auditor, Scott-Moncrieff, tendered their resignation during 2019 and were replaced by Scott-Moncrieff Audit Services. Scott-Moncrieff Audit Services have expressed their willingness to continue in office as auditor and will be proposed for reappointment at the Annual General Meeting.

The Report of the Board (incorporating the Strategic Report) has been approved by the Board and signed on its behalf by:

By order of the Board

[redacted]

Date: 26 August 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARYHILL HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator.

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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the Association's financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Board

As explained more fully in the Statement of the Board's Responsibilities set out on page 8, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are 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 intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Co-operative and Community Benefit Societies Act 2014 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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: www.frc.org.uk/auditorsresponsibilities. 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 Society Act 2014. Our audit work has been undertaken so that we might state to the Association's members, as a body, 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.

[redacted]

Scott-Moncrieff Audit Services, Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
25 Bothwell Street
Glasgow
G2 6NL

Date: 26 August 2020

REPORT OF THE AUDITOR TO THE MEMBERS OF MARYHILL HOUSING ASSOCIATION LIMITED ON INTERNAL FINANCIAL CONTROLS
FOR THE YEAR ENDED 31 MARCH 2020

In addition to our audit of the financial statements, we have reviewed your statements on pages 8 and 9 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 which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements on corporate governance matters within Bulletin 2009/4 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 8 and 9 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory 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 our enquiry of certain members of the Board and Executive 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 contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

[redacted]

Scott-Moncrieff Audit Services, Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
25 Bothwell Street
Glasgow
G2 6NL

Date: 26 August 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Turnover	4		**13,456,896**		*13,095,748*
Operating expenditure	4		**(11,802,352)**		*(12,556,572)*
Operating surplus/(deficit)	4		**1,654,544**		*539,176*
Loss on sale of housing stock	10	**-**		*(66,918)*	
Release of negative goodwill	11	**297,198**		*305,611*	
Interest receivable and other income	12a	**8,532**		*7,231*	
Interest payable and similar charges	12b	**(881,292)**		*(770,197)*	
Other finance charges	13	**(48,000)**		*(39,000)*	
Gain on sale of investment properties		**1,000**			
			(622,562)		*(563,273)*
Surplus/(deficit) for the year before tax	9		**1,031,982**		*(24,097)*
Tax	14		**-**		*-*
Surplus/(deficit) for the year after tax			**1,031,982**		*(24,097)*
Other comprehensive income					
Initial recognition of multi-employer defined benefit scheme	32		**-**		*(334,225)*
Actuarial gain/(loss) recognised in the SHAPS liability	32		**1,319,000**		*(281,000)*
Actuarial gain/(loss) recognised in the SPF liability	32		**342,000**		*(179,000)*
Total comprehensive income			**2,692,982**		*(818,322)*

The results for the year relate wholly to continuing activities.

The notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

			2020		2019
Tangible fixed assets	**Notes**	£	£	£	£
Housing properties	15		**58,994,359**		*58,437,213*
Other fixed assets	17		**1,421,945**		*1,528,989*
			60,416,304		*59,966,202*
Negative goodwill	11		**(10,098,229)**		*(10,395,427)*
Investments					
Investment in subsidiary	18		**1**		*1*
Current assets					
Debtors	19	**876,623**		*523,075*	
Investments	20a	**619,752**		*614,654*	
Cash and cash equivalents	20b	**5,205,153**		*4,939,599*	
		6,701,528		*6,077,328*	
Creditors: amounts falling due within one year	21	**(3,719,906)**		*(3,255,008)*	
Net current assets			**2,981,622**		*2,822,320*
Total assets less current liabilities			**53,299,698**		*52,393,096*
Creditors: amounts falling due after more than one year	22		**(22,791,123)**		*(22,954,505)*
Scottish Housing Association Pension Scheme Liability	32		**(57,000)**		*(1,466,000)*
Strathclyde Pension Scheme liability	32		**(253,000)**		*(467,000)*
Net assets			**30,198,575**		*27,505,591*
Capital and reserves					
Share capital	24		**123**		*121*
Revenue reserve	25		**29,788,452**		*27,040,470*
Other reserve	25		**410,000**		*465,000*
			30,198,575		*27,505,591*

The financial statements were authorised for issue by the Board on 26th August 2020 and are signed on their behalf by:

[redacted]

The notes form part of these financial statements.

STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2020

	Share Capital £	Other Reserve £	Revenue Reserve £	Total £
Balance as at 1 April 2018	*143*	*465,000*	*27,858,792*	*28,323,935*
Issue of shares	*5*	-	-	*5*
Cancellation of shares	*(27)*	-	-	*(27)*
Total comprehensive income	-	-	*(818,322)*	*(818,322)*
Balance as at 31 March 2019	*121*	*465,000*	*27,040,470*	*27,505,591*
Balance as at 1 April 2019	**121**	**465,000**	**27,040,470**	**27,505,591**
Issue of shares	**2**	**-**	**-**	**2**
Cancellation of shares	**-**	**-**	**-**	**-**
Total comprehensive income	**-**	**-**	**2,692,982**	**2,692,982**
Transfer		**(55,000)**	**55,000**	**-**
Balance as at 31 March 2020	**123**	**410,000**	**29,788,452**	**30,198,575**

The notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Note		2020		2019
		£	£	£	£
Net cash generated from operating activities	**26**		**3,913,275**		*3,450,057*
Cash flow from investing activities					
Acquisition and construction of properties		**(2,974,115)**		*(2,715,123)*	
Purchase of other fixed assets		**(21,495)**		*(35,168)*	
Social housing grant received		**676,524**		*350,336*	
Proceeds on disposal of properties		**-**		*117,717*	
Proceeds on disposal of investment properties		**56,000**		-	
Interest received		**8,532**		*7,231*	
			(2,254,554)		*(2,275,007)*
Cash flow from financing activities					
Interest paid on loans and bank charges		**(890,295)**		*(795,205)*	
Share capital issued		**2**		*5*	
Payment of past service contributions		**(257,776)**		*(251,279)*	
Increase in investments		**(5,098)**		*(4,576)*	
Loans repaid		**(240,000)**		-	
			(1,393,167)		*(1,051,055)*
Net change in cash and cash equivalent			**265,554**		*123,995*
Opening cash and cash equivalents			**4,939,599**		*4,815,604*
Closing cash and cash equivalents			**5,205,153**		*4,939,599*

Analysis of net debt

	At 1 April 2019	Cash flows	Non-cash movements	At 31 March 2020
Cash and cash equivalents	£	£	£	£
Cash	3,853,385	262,264	-	4,115,649
Cash equivalents	1,086,214	3,290	-	1,089,504
	4,939,599	265,554	-	5,205,153
Borrowings				
Debt due within one year	(17,727)	(240,276)	9,003	(249,000)
Debt due after one year	(11,622,261)	480,276	-	(11,141,985)
	(11,639,988)	240,000	9,003	(11,390,985)
Net debt	(6,700,389)	505,554	9,003	(6,185,832)

The notes form part of these financial statements.

1. General information

The financial statements have been prepared in accordance with 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) and comply with the requirements of the Determination of Housing Requirements as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2018. The principal accounting policies are set out below.

The preparation of these financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (note 3).

The presentational currency is pound sterling and the financial statements are rounded to the nearest whole number.

The Association is a Co-operative and Community Benefit Society Limited by shares and is incorporated in Scotland. The Association is a registered social landlord (HCB159) and a registered charity (SC032468). The registered address is 45 Garrioch Road, Maryhill, Glasgow, G20 8RG.

The Association is defined as a public benefit entity and thus the Association complies with all disclosure requirements relating to public benefit entities.

2. Principal accounting policies

a) Basis of accounting

The financial statements are prepared under the historical cost convention, subject to the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

The effect of events relating to the year ended 31 March 2020, which occurred before the date of approval of the financial statements by the Board has been included in the financial statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2020 and of the results for the year ended on that date.

b) Group financial statements

The Association has a fully owned subsidiary, Maryhill Communities Limited which is dormant and thus Group financial statements have not been prepared.

c) Going concern

The Board of Management has a reasonable expectation that the Association has adequate resources, based on a review of long term forecasts to continue in operational existence for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the Financial Statements. As outlined in the Report of the Board of Management of the Association we have considered the expected impact of COVID-19 when arriving at this conclusion.

2. Principal accounting policies (continued)

d) Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from the Scottish Government, Glasgow City Council and other agencies. Also included are management fees for the factoring of properties for private owners as the provision of factoring services is accounted for on an agency basis. First tranche shared ownership sales are also included in turnover.

e) Apportionment of management expenses

Direct employee, administration and operating expenditure have been apportioned to the relevant sections of the Statement of Comprehensive Income on the basis of costs of staff directly attributable to the operations dealt with in the financial statements.

The costs of cyclical and major repairs are charged to the Statement of Comprehensive Income in the year which they are incurred.

f) Interest receivable and other income

Interest receivable is recognised in the Statement of Comprehensive Income on an accruals basis.

g) Interest payable and similar expenses

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

h) Tangible fixed assets - Housing properties

Housing properties are stated at cost less accumulated depreciation. Housing under construction and land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 15. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the depreciated replacement amount.

Component	**Useful Economic Life**
Structure	50 years
Roofing	50 years
Exterior walls	40 years
Windows	30 years
Balconies	50 years
Doors	20 years
Controlled entry	20 years
Kitchens	15 years
Bathrooms	20 years
Central heating – pipes & radiators	30 years
Central heating – boilers	15 years
Central heating – electric storage	20 years
Electrics	30 years
Communal lighting	30 years
Lifts	25 years

2. Principal accounting policies (continued)

i) Tangible fixed assets – Other fixed assets

Other fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:-

Offices premises	2%
Furniture, fittings and equipment	20% - 50%
Motor vehicles	25%

The carrying value of other fixed assets is reviewed for impairment at the end of each reporting period.

j) Negative goodwill

Negative goodwill created through acquisition is written-off to the Statement of Comprehensive Income as the housing units acquired are depreciated or sold.

k) Operating leases

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

l) Investment properties

Investment properties are held at market value with any changes in market value recognised in the Statement of Comprehensive Income.

m) Debtors

Short term debtors are measured at transaction price, less any impairment.

n) Rental arrears

Rental arrears represent amounts due by tenants for the rental of social housing properties at the year-end. Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in note 19.

o) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

p) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

q) Financial instruments

The Association only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and related parties.

2. Principal accounting policies (continued)

q) Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets are derecognised when contractual rights to the cash flows from the assets expire, or when the Association has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

r) Government capital grants

Government capital grants, at amounts approved by The Scottish Government or Glasgow City Council, are paid directly to the Association as required to meet its liabilities during the development process. This is treated as a deferred capital grant and is released to income in accordance with the accrual model over the useful life of the asset it relates to on completion of the development phase. The accrual model requires the Association to recognise income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

s) Government revenue grants

Government revenue grants are recognised using the accrual model which means the Association recognises the grant in income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

t) Non-government capital and revenue grants

Non-government capital and revenue grants are recognised using the performance model. If there are no performance conditions attached the grants are recognised as revenue when the grants are received or receivable.

A grant that imposes specific future performance related conditions on the recipient is recognised as revenue only when the performance related conditions are met.

A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

u) Pension costs (note 32)

Scottish Housing Association Pension Scheme (SHAPS)

The Association participates in The Scottish Housing Associations' Defined Benefits Pension Scheme (SHAPS) and retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the scheme. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

2. Principal accounting policies (continued)

u) Pension costs (note 32) (continued)

Strathclyde Pension Fund

The Strathclyde Pension Fund is accounted for as a defined benefit scheme. In accordance with FRS 102, the operating and financing costs of pension and post retirement schemes (determined by a qualified actuary) are recognised separately in the Statement of Comprehensive Income. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise.

Defined benefit schemes are funded, with the assets held separately from the Association in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each reporting date.

The amount charged to the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost is included within other finance costs/income. Actuarial gains and losses arising from new valuations and from updating valuations to the reporting date are recognised in Other Comprehensive Income.

The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Statement of Financial Position only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the reporting date. A pension scheme liability is recognised to the extent that the Association has a legal or constructive obligation to settle the liability.

Defined Contribution Pension Scheme (Auto Enrolment) (SHAPS)

The Association is also a member of the SHAPS Defined Contribution Pension Scheme and this scheme is used for auto-enrolment and for new employees. The cost of the employer’s contributions is charged to the Statement of Comprehensive Income on an accruals basis.

v) Development administration costs

Development administration costs relating to development activities are capitalised based on an apportionment of the staff time spent directly on this activity.

3. Judgements in applying policies and key sources of estimation uncertainty

Estimation Uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

3. Judgements in applying policies and key sources of estimation uncertainty (continued)

The members of the Board consider the following to be critical judgements in preparing the financial statements:

- The categorisation of housing properties as property, plant and equipment in line with the requirements of the SORP;
- The amount disclosed as 'operating surplus' is representative of activities that would normally be regarded as 'operating'; and
- The identification of a cash-generating unit for impairment purposes.

The Board is satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Estimate	Basis of estimation
Valuation of housing properties	Housing properties are held at deemed cost which is based on an existing use valuation at the date of transition to FRS 102 of 1 April 2014.
Useful lives of property, plant and equipment	The useful lives of property, plant and equipment are based on the knowledge of senior management at the Association, with reference to expected asset life cycles.
The main components of housing properties and their useful lives	The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and are based on costing models.
Recoverable amount of rental and other trade receivables	Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.
The obligations under the SHAPS pension scheme and Strathclyde pension scheme	These have relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate.
The valuation of investment properties	The investment properties were valued by an appropriately qualified surveyor using market data at the date of valuation.

4. Particulars of turnover, operating expenditure and operating surplus or (deficit)

	Note	2020			*2019*		
		Turnover	**Operating Expenditure**	**Operating Surplus/ (deficit)**	*Turnover*	*Operating Expenditure*	*Operating Surplus/ (Deficit)*
Social lettings	5	**13,168,663**	**11,492,967**	**1,675,696**	*12,749,020*	*12,156,156*	*592,864*
Other activities	6	**288,233**	**309,385**	**(21,152)**	*346,728*	*400,416*	*(53,688)*
Total		**13,456,896**	**11,802,352**	**1,654,544**	*13,095,748*	*12,556,572*	*539,176*

5. Particulars of turnover, operating expenditure and operating surplus or (deficit) from social letting activities

	General Needs Housing £	**Shared Ownership £**	**2020 Total £**	*2019 Total £*
Revenue from lettings				
Rent receivable net of service charges	**12,601,304**	**32,299**	**12,633,603**	*12,152,800*
Service charges	**151,644**	**2,908**	**154,552**	*153,110*
Gross income from rent and service charges	**12,752,948**	**35,207**	**12,788,155**	*12,305,910*
Less: Rent losses from voids	**(66,124)**	**-**	**(66,124)**	*(77,990)*
Net rents receivable	**12,686,824**	**35,207**	**12,722,031**	*12,227,920*
Release of deferred Government capital grants	**335,731**	**-**	**335,731**	*311,832*
Revenue grants from Scottish Ministers (Stage 3 adaptions)	**38,151**	**-**	**38,151**	*64,914*
Other revenue grants	**72,750**	**-**	**72,750**	*144,354*
Total turnover from social letting activities	**13,133,456**	**35,207**	**13,168,663**	*12,749,020*
Expenditure on social letting activities				
Management and maintenance administration costs	**5,390,168**	**14,581**	**5,404,749**	*5,118,328*
Service costs	**129,383**	**-**	**129,383**	*123,538*
Planned and cyclical maintenance, including major repairs	**1,439,189**	**-**	**1,439,189**	*1,595,547*
Reactive maintenance costs	**1,942,709**	**-**	**1,942,709**	*2,314,599*
Bad debt – rents and service charges	**159,968**	**-**	**159,968**	*208,968*
Depreciation of social let properties	**2,406,953**	**10,016**	**2,416,969**	*2,795,176*
Operating expenditure of social letting activities	**11,468,370**	**24,597**	**11,492,967**	*12,156,156*
Operating surplus on social letting activities 2020	**1,665,086**	**10,610**	**1,675,696**	
Operating (deficit)/surplus on social letting activities 2019	*583,466*	*9,398*		*592,864*

The depreciation charges of social let properties in the year was £2,366,080 (*2019: £2,384,384*). The net book value of disposed components was £50,889 (*2019: £410,792*).

6. Particulars of turnover, operating expenditure and operating surplus or (deficit) from other activities

	Other Income £	**Total Turnover £**	**Operating Expenditure - Bad Debts £**	**Operating Expenditure - Other £**	**Operating Surplus or (Deficit) 2020 £**	*Operating Surplus or (Deficit) 2019 £*
		-			**-**	
Factoring	**126,114**	**126,114**	**(29,457)**	**133,518**	**22,053**	*(150,895)*
Development and construction of property activities	**51,510**	**51,510**	**-**	**51,510**	**-**	-
Maryhill Online	**-**	**-**	**-**	**-**	**-**	-
Commercial properties	**25,879**	**25,879**	**-**	**-**	**25,879**	*32,156*
Radio mast income	**25,093**	**25,093**	**-**	**-**	**25,093**	*25,093*
Sundry activities	**59,637**	**59,637**	**-**	**153,814**	**(94,177)**	*39,958*
Total from other activities 2020	**288,233**	**288,233**	**(29,457)**	**338,842**	**(21,152)**	
Total from other activities 2019	*346,728*	*346,728*	*23,548*	*376,868*		*(53,688)*

7. Employees

Staff costs during year:	**2020** **£**	*2019* *£*
Wages and salaries	**2,936,946**	*3,043,960*
Social security costs	**266,774**	*248,851*
Pension costs	**259,690**	*286,282*
Defined benefit pension charge – SHAPS (Note 32)	**134,956**	*102,000*
Strathclyde Pension Fund service cost (Note 32)	**113,000**	*(77,000)*
Temporary, agency and seconded staff	**60,936**	*51,012*
Staff recruitment costs	**54,905**	*52,764*
	3,827,207	*3,707,869*

Included in above is costs relating to prior year restructure of £nil (*2019: £389,866*)

The SHAPS liability is subject to remeasurement each financial year.

During the past year, past service deficit contributions of £257,776 (*2019: £259,279*) were paid. Of this payment £249,776 (*2019: £251,279*) was a payment in respect of the SHAPS past service deficit liability. The remainder of £8,000 (*2019: £8,000*) was pension management costs which have been included in the pension contributions total included in staff costs above.

The unwinding of the SHAPS discount has been charged to finance costs (note 13) in the Statement of Comprehensive Income. This finance cost was £33,000 (*2019: £31,000*) in the year.

	2020 **No.**	*2019* *No.*
The average monthly number of full time equivalent employees during the year was	**90**	*91*
The average total number of employees employed during the year was	**92**	*96*

8. Directors' emoluments

The directors are defined as the members of the Board, the Chief Executive and any other person reporting directly to the Chief Executive or the Board whose total emoluments exceed £60,000 per year. No emoluments were paid to any member of the Board during the year. The Association considers key management personnel to be the members of the Board and the senior management team (as listed on the first page of the financial statements) of the Association only.

	2020 **£**	*2019* *£*
Aggregate emoluments payable to the key management team (and the only employees whose emoluments exceeded £60k) amounted to:	**225,070**	*217,112*

Total pension contributions to the key management team were £20,245 (*2019: £19,522*). The Social Security costs for these individuals were £27,143 (*2019: £26,328)*. This does not include an element of the SHAPs past service deficit repayment. No enhanced or special terms apply to membership and the key management team have no other pension arrangements to which the Association contributes.

8. Directors' emoluments (continued)

	2020 £	*2019 £*
Total emoluments payable to the current Chief Executive (excluding pension contributions) amounted to:	**87,715**	*85,943*
Pension contributions payable to the current Chief Executive (excluding past service deficit repayments	**7,884**	*7,717*

The Chief Executive is a member of the SHAPs pension scheme as detailed in note 32

The numbers of officers including the highest paid officer who received emoluments (excluding pension contributions but including payments for loss of office) in the following ranges were:	2020 Number	*2019 Number*
£60,001 - £70,000	**1**	**2**
£70,001 - £80,000	**1**	**-**
£80,001 - £90,000	**1**	**1**
£90,001 - £100,000	**-**	**-**
£100,001 - £120,000	**-**	**-**
£120,001 - £130,000	**-**	**-**

9. Surplus/(deficit) for year before tax

The surplus/(deficit) before tax is stated after charging/(crediting):-	2020 £	*2019 £*
Depreciation – Housing properties	**2,366,080**	*2,384,384*
Depreciation – loss on disposal of components	**50,889**	*410,792*
Depreciation – Other fixed assets	**73,539**	*131,300*
External auditor's remuneration – Audit services excluding VAT	**12,145**	*11,910*
External auditor's remuneration – corporation tax compliance excluding VAT	**720**	*585*
External auditor's remuneration – employment tax advice excluding VAT	**-**	*-*
Operating lease rentals	**13,550**	*12,221*
Loss on sale of housing properties	**-**	*66,918*
Loss on sale of other fixed assets	**-**	*(4,124)*
Gain on sale of investment properties	**1,000**	-

10. (Loss) on sale of housing stock

	2020 £	*2019 £*
Sales proceeds	**-**	*117,717*
Net book value of disposals	**-**	*184,635*
(Loss) on sale of housing stock	**-**	*(66,918)*

11. Negative goodwill

	2020 £	*2019 £*
Gross Goodwill		
At 1 April 2019	**(12,690,347)**	*(12,700,339)*
Eliminated on disposal of housing units	**-**	*9,992*
At 31 March 2020	**(12,690,347)**	*(12,690,347)*
Amortisation		
At 1 April 2019	**2,294,920**	*1,999,301*
Amortisation charge for year	**297,198**	*297,257*
Eliminated on disposal of housing units	**-**	*(1,638)*
At 31 March 2020	**2,592,118**	*2,294,920*
Net book value at 31 March 2020	**10,098,229**	*(10,395,427)*

12a. Interest receivable and similar income

	2020 £	*2019 £*
Bank interest	**8,532**	*7,231*

12b. Interest payable and similar charges

	2020 £	*2019 £*
On bank loans	**727,258**	*714,274*
Bank charges - non utilisation fees	**154,034**	*55,923*
	881,292	*770,197*

Offset within interest payable on bank loans is a £25,008 (*2019: £25,008*) credit in respect of the release of the cash incentive received when the loans were originally financed with RBS. This is being written off over the 20 year fixed term period. Included above is a £16,004 *(2019: £16,004)* charge in respect of the amortisation of loan arrangement fees in the year.

13. Other finance charges

	2020 £	*2019 £*
Strathclyde Pension Fund – finance charge (note 32)	**15,000**	*8,000*
SHAPS – unwinding of discount (note 32)	**33,000**	*31,000*
	48,000	*39,000*

14. Tax on surplus/(deficit)

The Association is a Scottish Charity and thus its charitable activities are not subject to tax in both 2019 and 2020. No (*2019: £nil*) corporation tax is due on the Association's non-charitable activities.

15. Tangible fixed assets – Housing properties

	Housing properties held for letting £	Housing properties in course of construction £	Completed shared ownership properties £	Total £
Cost				
As at 1 April 2019	69,709,239	867,401	300,461	70,877,101
Additions during year				
Property	-	1,011,958	-	1,011,958
Components	1,962,157	-	-	1,962,157
Disposals during year				
Property	-	-	-	-
Components	(174,004)	-	-	(174,004)
As at 31 March 2020	**71,497,392**	**1,879,359**	**300,461**	**73,677,212**
Depreciation				
As at 1 April 2019	12,386,660	-	53,228	12,439,888
Charge for year	2,356,064	-	10,016	2,366,080
On disposals during year				
Property	-	-	-	-
Components	(123,115)	-	-	(123,115)
As at 31 March 2020	**14,619,609**	**-**	**63,244**	**14,682,853**
Net Book Value				
As at 31 March 2020	**56,877,783**	**1,879,359**	**237,217**	**58,994,359**
As at 31 March 2019	*57,322,579*	*867,401*	*247,233*	*58,437,213*

Additions to housing properties include capitalised development administration costs of £205,803 (*2019: £103,718*). The amount spent on maintenance of housing properties held for letting can be seen in note 5.

The cost of disposals in year is in relation to disposed components.

Total expenditure on existing and new properties in the year amounted to £6,356,013 (*2019: £6,625,269*). The amount capitalised is £2,974,115 (*2019: £2,715,123*), with the balance charged to the Statement of Comprehensive Income.

The Association's Lenders have standard securities over housing property with a carrying value of £24,214,495 (*2019: £23,580,943*).

16a. Housing stock

The number of units of accommodation in management at the year-end was:-	2020 No.	*2019 No.*
General needs – New Build	**568**	*568*
General needs – Rehabilitation	**2,470**	*2,470*
Shared ownership	**16**	*16*
	3,054	*3,054*

16b. Investment properties

The number of units of accommodation in management at the year-end was:-	**2020 No.**	*2019 No.*
Lock ups	**78**	*78*
Shops	**1**	*2*
	79	*80*

17. Tangible fixed assets - Other fixed assets

	Investment Properties £	Office Premises £	Furniture, Fittings & Equipment £	Motor Vehicles £	Total £
Cost					
As at 1 April 2019	465,000	1,519,778	593,145	47,407	2,625,330
Additions	-	7,713	13,782	-	21,495
Disposals	(55,000)	-	(22,653)	-	(77,653)
As at 31 March 2020	**410,000**	**1,527,491**	**584,274**	**47,407**	**2,569,172**
Depreciation					
As at 1 April 2019 as	-	561,593	518,806	15,942	1,096,341
Charge for year	-	29,452	32,235	11,852	73,539
Disposals	-	-	(22,653)	-	(22,653)
As at 31 March 2020	**-**	**591,045**	**528,388**	**27,794**	**1,147,227**
Net Book Value					
As at 31 March 2020	**410,000**	**936,446**	**55,886**	**19,613**	**1,421,945**
As at 31 March 2019	*465,000*	*958,185*	*74,339*	*31,465*	*1,528,989*

The fair value as at 31 March 2020 of the investment properties held totalled £410,000 *(2019: £465,000).* This is based on a valuation performed by DM Hall and DVS Property Specialists in May 2019 and February 2019 respectively. The Management Committee consider this to be reflective of the fair value as at 31 March 2020.

18. Investments

	2020	*2019*
	£	*£*
Investment in subsidiary		
As at 31 March 2020 & 31 March 2019	**1**	*1*

The Association has a 100% owned subsidiary, Maryhill Communities Limited.

The company was incorporated on 26 April 2011 and has not traded since incorporation.

The aggregate amount of capital and reserves and the results of Maryhill Communities Limited for the year ended 31 March 2020 were as follows:

	2020	*2019*
	£	*£*
Capital & reserve	**1**	*1*
Profit for the year	**-**	*-*

19. Debtors

	2020	*2019*
	£	*£*
Arrears of rent & service charges	**815,669**	*704,710*
Less: Provision for doubtful debts	**(505,198)**	*(443,760)*
	310,471	*260,950*
Factoring arrears	**173,678**	*31,912*
Prepayments	**95,070**	*80,355*
Accrued income	**197,845**	*57,863*
Other debtors	**99,559**	*91,995*
	876,623	*523,075*

20a. Current asset investments

	2020	*2019*
	£	*£*
Deposit account	**619,752**	*614,654*

20b. Cash and cash equivalents

	2020	*2019*
	£	*£*
Cash at bank and in hand	**4,115,649**	*3,853,385*
Cash equivalents – short term deposits	**1,089,504**	*1,086,214*
	5,205,153	*4,939,599*

21. Creditors: amounts falling due within one year

	2020	*2019*
	£	*£*
Bank loans	**249,000**	*17,727*
Trade creditors	**1,737,784**	*1,384,988*
Rent in advance	**490,397**	*480,242*
Other taxation and social security	**74,598**	*74,613*
Amounts due to group undertakings	**1**	*1*
Retention creditors	**154,101**	*135,468*
Accruals and deferred income	**541,978**	*713,821*
HAG creditor	**136,316**	*136,316*
Deferred Government capital grant (note 23)	**335,731**	*311,832*
	3,719,906	*3,255,008*

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

	2020	*2019*
	£	*£*
Bank loans	**11,141,985**	*11,622,261*
Deferred Government capital grant (note 23)	**11,649,138**	*11,332,244*
	22,791,123	*22,954,505*
Bank loans		
Amounts due within one year	**249,000**	*17,727*
Amounts due in one year or more but less than two years	**249,000**	*17,727*
Amounts due in two year or more but less than five years	**846,200**	*1,410,182*
Amounts due in more than five years	**10,046,785**	*10,194,352*
	11,390,985	*11,639,988*

Bank loans are secured by specific charges on the Association's properties and are repayable at rates of interest between 2.70% and 6.73% in instalments. The loans are due to be repaid in full by 8 June 2041. Included in the loan balance is £274,981 (*2019: £299,989*) of a cash incentive which is being amortised and credited to interest over the 20 year fixed loan period, and £143,996 (2019:£160,000) of arrangement fees which is being released over the 10 year fixed term loan period.

23. Deferred Government capital grants

	2020	*2019*
	£	*£*
Gross deferred Government capital grants		
At 1 April 2019	**12,887,713**	*12,537,377*
Addition in year	**676,524**	*350,336*
At 31 March 2020	**13,564,237**	*12,887,713*
Amortisation		
At 1 April 2019	**(1,243,637)**	*(931,805)*
Amortised in year	**(335,731)**	*(311,832)*
At 31 March 2020	**(1,579,368)**	*(1,243,637)*
Net book value at 31 March 2020	**11,984,869**	*11,644,076*

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

	2020	*2019*
	£	*£*
Amounts due within one year	**335,731**	*311,832*
1-2 years	**335,731**	*311,832*
2-5 years	**1,007,193**	*935,496*
> 5 years	**10,306,214**	*10,084,916*
	11,649,138	*11,332,244*
Total	**11,984,869**	*11,644,076*

24. Share capital

	2020	*2019*
	£	*£*
Shares of £1 each issued and fully paid		
At 1 April 2019	**121**	*143*
Issued during the year	**2**	*5*
Cancelled during the year	**-**	*(27)*
At 31 March 2020	**123**	*121*

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.

25. Reserves

Revenue reserve

The revenue reserve includes all current and prior year retained surpluses or deficits.

Other reserve

The other reserve represents the cumulative gain or loss on the revaluation of investment properties.

26. Net cash generated from operating activities

Reconciliation of operating surplus to net cash generated from operating activities	**2020 £**	*2019 £*
Operating surplus	**1,654,544**	*539,176*
Depreciation including loss on disposal of components	**2,490,328**	*2,926,476*
Gain on disposal of other fixed assets	**-**	*(4,124)*
Amortisation of deferred Government capital grants	**(335,731)**	*(311,832)*
Movement in debtors	**(353,548)**	*(42,514)*
Movement in creditors	**209,726**	*317,848*
Share capital written off	**-**	*27*
SHAPS – remeasurements	**134,956**	*102,000*
Strathclyde Pension Fund service cost	**113,000**	*(77,000)*
Net cash generated from operating activities	**3,913,275**	*3,450,057*

27. Related party transactions

Some members of the Board are tenants of the Association. The tenancies of these Board Members are on normal terms and the members cannot use their position to their advantage.

The total rent and service charge payable in the year relating to tenant Board members is £35,777 *(2019: £38,016*).

At the year-end total rent arrears owed by the tenant Board members were £275 (*2019: £206*). Prepaid rent at the year-end was £298 (*2019: £159*).

28. Legislative provisions

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

29. Capital commitments

	2020 £	*2019 £*
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**364,800**	*368,400*

The above commitments will be financed by the Association’s own resources:

Association’s reserves	**364,800**	*368,400*

30. Commitments under operating leases

	2020	2019
	£	£
At the year-end, the total future minimum lease payments under non-cancellable operating leases were as follows:-		
Not later than one year	**13,550**	*13,550*
Later than one year and not later than five years	**8,147**	*21,697*
Later than five years	**-**	*-*
	21,697	*35,247*

31. Governing body member emoluments

Board members received £2,879 in the year by way of reimbursement of expenses (*2019: £1,315*). No (*2019: £nil*) remuneration was paid to Board members in respect of their duties in the Association.

32. Pensions

Scottish Housing Association Pension Scheme (SHAPS)

Maryhill Housing Association Limited (the ‘Association’) participates in the Scottish Housing Association Pension Scheme (SHAPS) (the “Scheme”). The Scheme is a multi-employer defined benefit scheme. There are six benefit structures available, namely:

(a) Final salary with a 1/60th accrual rate;
(b) Career average revalued earnings with a 1/60th accrual rate;
(c) Career average revalued earnings with a 1/70th accrual rate;
(d) Career average revalued earnings with a 1/80th accrual rate;
(e) Career average revalued earnings with a 1/120th accrual rate, contracted-in; and
(f) Defined contribution (DC) option.

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. The DC option can be introduced by the employer on the first day of any month after giving a minimum of three months' prior notice. The Association has elected to operate two DC options; an Auto Enrolled and an Enhanced Scheme for new and existing members, with the Career Average revalued earnings with a 1/80th accrual rate option being closed to new members.

During 2019/20, the Association took the decision to close the SHAPS CARE 1/80ths defined benefit pension scheme. This change came into effect on 1 April 2020

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, so that the Scheme can meet its pension obligations as they fall due.

32. Pensions (continued)

Scottish Housing Association Pension Scheme (SHAPS) (continued)

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market values. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The contributions paid in respect of the defined contribution scheme is 6% employee contributions and 6.45% employer contributions.

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 30 September 2022 for the majority of employers, although certain employers have different arrangements.

The key valuation assumptions used to determine the assets and liabilities of the Scheme as at 30 September 2018 are detailed below:

Assumption	30 September 2018 valuation % p.a.
Price inflation	RPI* - 3.35%
	CPI* - 2.35%
Discount rate	
-pre-retirement	3.12%**
-post-retirement	
Pensionable earnings growth (annual)	3.35%***

*The Retail Price Inflation (RPI) rate is now based on a gilt inflation curve, rather than using a single inflation rate. The figure shown is the average for the Scheme. CPI Inflation is RPI Inflation less 1% p.a.

** The discount rate is now a single rate based on the gilt yield curve plus a margin. The margin reduces from an initial rate based on the additional asset return from the current investment strategy, taking into account prudence and the employer covenant rating, to a long-term rate of gilts plus 0.5% p.a. over a fixed period. The figure shown is the average for the Scheme.

*** Earnings growth is based on CPI plus 1% p.a.

The SHAPS defined benefit pension liability is accounted for as a defined benefit pension scheme from 1 April 2018 onwards. In accordance with FRS 102 section 28, the operating and financing costs of pension and post retirement schemes (determined by TPT) are recognised separately in the Statement of Comprehensive Income. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The difference between actual and expected returns on assets during the year, including changes in the actuarial assumptions, is recognised in Other Comprehensive Income.

At 1 April 2018, on initial recognition of the multi-employer defined benefit scheme, the opening adjustment to the liability was £334,225 to recognise a liability of £1,303,000 as at 1 April 2018.

32. Pensions (continued)

	31 March 2020 £'000	*31 March 2019 £'000*
Fair value of plan assets	8,918	*8,449*
Present value of defined benefit obligation	(8,975)	*(9,915)*
Defined benefit liability to be recognised	**(57)**	*(1,466)*

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2020 £'000	*Year ended 31 March 2019 £'000*
Defined benefit obligation at start of period	9,915	*9,105*
Current service cost	202	*206*
Expenses	8	*8*
Interest expense	230	*233*
Contributions by plan participants	75	*109*
Actuarial gains due to scheme experience	(85)	*(60)*
Actuarial (gains)/losses due to changes in demographic assumptions	(58)	*27*
Actuarial (gains/losses due to changes in financial assumptions	(1,065)	*587*
Benefits paid and expenses	(247)	*(300)*
Defined benefit liability at the end of the period	**8,975**	*9,915*

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

	Year ended 31 March 2020 £'000	*Year ended 31 March 2019 £'000*
Fair value of plan assets at start of the period	8,449	*7,802*
Interest income	197	*202*
Experience on plan assets (excluding amounts included in interest incon gain	111	*273*
Contributions by the employer	333	*363*
Contributions by plan participants	75	*109*
Benefits paid and expenses	(247)	*(300)*
Fair value of plan assets at end of period	**8,918**	*8,449*

32. Pensions (continued)

Defined benefit costs recognised in the Statement of Comprehensive Income

	Year ended 31 March 2020 £'000	*Year ended 31 March 2019 £'000*
Current service cost	202	*206*
Admin expenses	8	*8*
Net interest expense	33	*31*
Defined benefit costs recognised in Statement of Comprehensive Income	243	*245*

Defined benefit costs recognised in Other Comprehensive Income

	Year ended 31 March 2020 £'000	*Year ended 31 March 2019 £'000*
Experience on plan assets (excluding amounts included in net interest cost) - gain	111	*273*
Experience gains and losses arising on the plan liabilities – gain	85	*60*
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/(loss)	58	*(27)*
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain/(loss)	1,065	*(587)*
Total amount recognised in other comprehensive income – gain/(loss)	1,319	*(281)*

32. Pensions (continued)

Fund allocation for employer's calculated share of assets

	31 March 2020 £'000	*31 March 2019 £'000*
Global Equity	1,226	1,359
Absolute Return	547	716
Distressed Opportunities	163	144
Credit Relative Value	215	147
Alternative Risk Premia	715	472
Fund of Hedge Funds	-	23
Emerging Markets Debt	317	271
Risk Sharing	282	245
Insurance-Linked Securities	239	219
Property	166	168
Infrastructure	526	354
Private Debt	177	109
Opportunistic Illiquid Credit	217	-
Corporate Bond Fund	652	592
Liquid Credit	234	-
Long Lease Property	218	103
Secured Income	495	295
Over 15 Year Gilts	113	217
Index Linked All Stock Gilts	-	-
Liability Driven Investment	2,348	3,006
Net Current Assets	68	9
Total Assets	8,918	8,449

32. Pensions (continued)

The main financial assumptions used by the Scheme Actuary, TPT, in their FRS 102 calculations are as follows:

Assumptions as at	31 March 2020 % per annum	31 March 2019 % per annum
Discount rate	2.38%	2.31%
Inflation (RPI)	2.62%	3.29%
Inflation (CPI)	1.62%	2.29%
Salary growth	2.62%	3.29%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

Active members

	Number	Total earnings (£'000s p.a.)	Average age (unweighted)
Males	1	340	41
Females	1	663	44
Total	2	1,003	43

Deferred members

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	1	37	49
Females	2	77	50
Total	3	114	49

Pensioners

	Number	Pensions (£'000s p.a.)	Average age (unweighted)
Males	1	134	68
Females	1	75	65
Total	2	209	67

Employer debt on withdrawal

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing the benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed the assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

32. Pensions (continued)

The Association has been notified by TPT of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2019. As of this date the estimated employer debt for the Association was £6,923,210.

Strathclyde Pension Fund

Maryhill Housing Association Limited participates in the Strathclyde Pension Fund which is a statutory multi-employer defined benefit scheme. It is administered by Glasgow City Council in accordance with the Local Scheme (Scotland) Regulations 1998, as amended. Eleven members of staff are members of the Scheme.

The main financial assumptions used by the Council's Actuary, Hymans Robertson, in their 2020 valuations are as follows;

Assumptions as at	**31 March 2020**	*31 March 2019*
Pension increase rate	**1.8%**	*2.4%*
Salary increase rate	**2.9%**	*3.6%*
Discount rate	**2.3%**	*2.5%*

Mortality

Life expectancy for both current and future pensioners is based on the Fund's VitaCurves with improvements in line with the CMI 2016 model assuming current rates of improvement have peaked and will converge to a long term rate of 1.5% per annum for males and 1.25% per annum for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	**Females**
Current Pensioners	20.7 years	22.9 years
Future Pensioners	22.2 years	24.6 years

32. Pensions (continued)

Reconciliation of defined benefit obligation

Year Ended:	**31 Mar 2020 £'000**	*31 Mar 2019 £'000*
Opening Defined Benefit Obligation	**3,525**	*3,070*
Current Service Cost	**127**	*112*
Past Service Cost	**49**	-
Interest Cost	**92**	*84*
Contributions by Members	**18**	*16*
Actuarial (gains)/losses	**(550)**	*269*
Past Service (gains)/losses	-	-
Liabilities Extinguished on Settlements	-	-
Liabilities Assumed in a Business Combination	-	-
Exchange Differences	-	-
Estimated Unfunded Benefits Paid	-	-
Estimated Benefits Paid	**(24)**	*(26)*
Closing Defined Benefit Obligation	**3,237**	*3,525*

Reconciliation of fair value of employer assets

Year Ended:	**31 Mar 2020 £'000**	*31 Mar 2019 £'000*
Opening Fair Value of Employer Assets	**3,058**	*2,713*
Expected Return on Assets	**77**	*76*
Contributions by Members	**18**	*16*
Contributions by the Employer	**63**	*189*
Contributions in respect of Unfunded Benefits	-	-
Actuarial (losses)/gains	**(208)**	*90*
Assets Distributed on Settlements	-	-
Assets Acquired in a Business Combination	-	-
Exchange Differences	-	-
Estimated Unfunded Benefits Paid	-	-
Estimated Benefits Paid	**(24)**	*(26)*
Closing Fair Value of Employer Assets	**2,984**	*3,058*
Net pension (liability)	**(253)**	*(467)*

32. Pensions (continued)

Analysis of amounts included in Statement of Comprehensive Income

Year Ended:	**2020 £(000)**	*2019 £(000)*
Expected Return on pension scheme assets	**77**	*76*
Interest on pension scheme liabilities	**(92)**	*(84)*
Net Return – finance charge	**(15)**	*(8)*

	2020 £(000)	*2019 £(000)*
Current service cost	**(127)**	*(112)*
Past service cost	**(49)**	-
Contribution by employers	**63**	*189*
Charge to staff costs	**(113)**	*77*

The expected Employer's contributions for the year to 31 March 2020 will be approximately £74,000

Analysis of amount recognised in Statement of Comprehensive Income

	2020 £(000)	*2019 £(000)*
Actual return less expected return on scheme assets	**(208)**	*90*
Changes in assumptions underlying the present value of scheme liabilities	**538**	*(269)*
Other experience	**12**	-
Actuarial gain/(loss) recognised in other comprehensive income	**342**	*(179)*