

**NORTH VIEW HOUSING ASSOCIATION LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**Registered Housing Association No. HAL269AL**

**Financial Conduct Authority No. 2427R(S)**

**Charity No. SC032963**

**Property Factors (Scotland) Act 2011 Registered Number: PF000246**

**RSM UK AUDIT LLP**  
**Chartered Accountants**

**Glasgow**

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

### **Officers and Professional Advisers**

#### **Committee of Management**

Iris Robertson	-	Chairperson
Josephine Deacon	-	Vice Chair
Jim Dougherty	-	Treasurer
Audrey Laird	-	Secretary
Wilma McCubbin	-	Member
William Hamilton	-	Member
Christine Devine	-	Member
Alex Bruce	-	Member
Kenneth Robertson	-	Member

#### **Principal Bankers**

Bank of Scotland plc  
82 Main Street  
Rutherglen  
Glasgow  
G73 2HZ

The Royal Bank of Scotland plc  
139 St Vincent Street  
Glasgow  
G2 5JF

#### **Director**

Euan Anderson

#### **Registered Office**

29a Stravanan Road  
Castlemilk  
Glasgow  
G45 9LY

#### **Auditors**

RSM UK Audit LLP  
Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

#### **Solicitors**

Brechin Tindal Oatts  
48 St Vincent Street  
Glasgow  
G2 5HS

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2020**

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### **Registration particulars:**

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered Number: 2427R(S)
Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered Number: HAL269AL
Office of Scottish Charity Regulator	Charities and Trustee Investment (Scotland) Act 2005 Scottish Charity Number SC 032963
The Scottish Government	Property Factors (Scotland) Act 2011 Registered Number: PF000246

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **REPORT OF THE COMMITTEE OF MANAGEMENT**

### **FOR THE YEAR ENDED 31 MARCH 2020**

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

#### **Principal activity**

North View Housing Association manages and maintains residential accommodation, whilst providing a high quality of service that is responsive to the needs of its tenants and residents. The Association provides housing for let at affordable rents.

North View Housing Association is registered with the Financial Conduct Authority as a Friendly Society, The Office of the Scottish Charities Regulator (OSCR) as a charity, The Scottish Regulator as a Registered Social Landlord and the Scottish Government as a Property Factor.

The table below shows the property we own:

<b>Managed Property Numbers</b>	<b>2020</b>	<b>2019</b>
Tenanted Property	668	668
Shared Ownership Properties	2	2
<b>Total</b>	<b>670</b>	<b>670</b>

#### **Financial Review**

In 2019/20 there was an overall surplus of £573,283 (2019: surplus of £211,383) at the year end.

North View currently has £2,298,883 deposited as cash funds with overdraft facilities available to us of £250,000 to account for the expected effects of Welfare Reform. We continue to have a substantial major repair investment programme with further replacement of bathrooms, boilers and windows due in a substantial proportion of properties over the next few years. Cash surpluses will be made, subject to our planned major repair programme over the next few years.

In January 2020, after lengthy deliberation and consultation with employees, the Management Committee decided to close the final salary pension scheme in favour of offering a variable direct contribution pension scheme. The decision will reduce the Association's potential future financial exposure regarding pensions, while adding a greater degree of certainty to our financial projections.

#### **Business Review**

We spent most of the year 2019/20 preparing to get our 25 unit new build project on site. We worked hard to secure the required statutory approvals, implement a balanced quality/price approach to procure the contractors, and get private finance in place prior to site start. Having successfully achieved all of that, the contractor went into administration weeks before the site start date; coupled with the coronavirus, that sting at the tail end of the year caused a seven month delay to our programme.

In 2019/20 we continued to work towards bringing all our properties up to the EESSH (Energy Efficiency Standard for Social Housing), and continue our programme of fitting smoke and heat

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **REPORT OF THE COMMITTEE OF MANAGEMENT**

### **FOR THE YEAR ENDED 31 MARCH 2020**

#### **Business Review (*continued*)**

detectors in all our properties to meet the new standards by the Government's target date of 1<sup>st</sup> February 2021

1920/21 also saw us strengthen our governance arrangements. This was achieved through establishing an Audit & Risk Sub Committee, formalising our internal audit programme, and the publication of our inaugural Annual Assurance Statement. The Management Committee set out the Association's strategic direction through our updated Business Plan, and it established processes to recruit new Committee Members to help ensure the longevity of the Management Committee, but, unfortunately they have been so adversely affected by the pandemic that both require to be reviewed.

And finally, to celebrate our 25<sup>th</sup> anniversary year we laid on a Family Day in the Birgidale Complex for our residents; a memorable day was had all round by tenants, committee and staff.

#### **Operational Review**

##### **Welfare Rights Service**

*99% of residents who had used our Welfare Rights Service were satisfied with the service (Survey 2018)*

There has been a constant flow of tenants making use of this important service and during this year 174 residents used the service, with some using the service on more than one occasion during the year (in total 379 cases dealt with). The Welfare Rights Officer's efforts on behalf of tenants saw increased income amounting to £701,482 for tenants depending on the nature of the benefit being dealt with on behalf of the tenant.

##### **Staffing**

*97% of residents are satisfied with the customer care provided when they contact or visit the office and 97% were satisfied with the helpfulness of staff when they reported a repair (Survey 2018)*

Through our Investor in People "Silver Standard" accreditation, we continue to develop and strengthen our ethos and processes towards training and development of our staff. We are committed to this ethos. We hold the view that a well trained staff will be able to do their job better, and therefore deliver a better service to tenants.

##### **Wider Role**

*95% of tenants were supportive of our summer coach trips and 95% were in favour of us spending money on children's play schemes and activities for young people (Survey 2018)*

2019/20 saw us continue to work with and facilitate the Jeely Piece Club, Urban Roots, and Castlemilk Youth Complex to deliver community based activities for the children and young people that live in our area. We have very strong tenant support for this work and we are pleased to be able to sustain these valued services for our younger residents.

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **REPORT OF THE COMMITTEE OF MANAGEMENT**

### **FOR THE YEAR ENDED 31 MARCH 2020**

#### **Housing Management**

North View has a good performance record on the time taken to re-let our properties, however we are never complacent and staff work diligently to ensure that we maximise our rental income, reduce costs and house people in need.

Rent loss due to void properties was £18,565 (2019 - £11,261). Our internal target of “Void loss of not more than 0.5% of rental income” was just missed as the void loss was 0.59%. The average time taken to re-let a property was 15.7 days (2019 – 20.5 days). Our target of 18 days was met. Our properties are aging, and the amount of work required to maintain our relet standard has increased. In the financial year 2020/21 we will see a marked increase in both void loss and relet times due to the effect of Covid-19.

Current tenant arrears at the year-end represented 4.56% of the total rental income for the year (2019 – 2.71%). Our target of 3.5% was not met. Discretionary Housing Payment awards continue to help mitigate the effect of the under-occupancy charge, however the increased number of Universal Credit cases during the year has had an impact on arrear levels. This is mainly due to the way in which Universal Credit is paid.

#### **Property Maintenance**

***81% of residents are satisfied with the Repairs service provided by us. The Repair service and Modernising tenant's homes came top in terms of what service was most important to residents in the 2018 Residents' Survey.***

The Association continues to meet all of the targets set for completion of works orders within timescale.

- Total no of Emergency works orders completed in 2019/20 – 108
- Average length of time (in hours) to complete emergency repairs was 1.99 hours against a target of 4 hours
- Total no of Non Emergency works orders completed in 2019/20 – 2941
- Average length of time (in working days) to complete Non Emergency repairs was 2.73 working days against a target of 4 working days
- 89.97% of our repairs were completed “right first time” against a target of 80%

It was again a particularly busy year for our “In House” trades-team in replacing windows in 46 properties and 235 with smoke detectors. External contract replacements of 8 bathrooms, 61 Boilers, and upgrades of electric heating systems to 22 properties also took place.

#### **Treasury Management**

The Association has an active treasury management function, which operates in accordance with the Treasury Policy approved by the Committee of Management. In this way the Association manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held. At 31 March 2020 North View is funding £8.132m (2019 - £6.050m) of development expenditure. North View, as a matter of policy, does not enter into transactions of a speculative nature. Our loan portfolio gives the Association four fixed rate loans and one variable rate loan at very favourable rates.

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **REPORT OF THE COMMITTEE OF MANAGEMENT**

**FOR THE YEAR ENDED 31 MARCH 2020**

### **Maintenance Policies**

The Association seeks to maintain its properties to the highest standard. To this end, programmes of cyclical repairs are carried out in the medium term to deal with the gradual and predictable deterioration of building components. It is expected that the cost of all these repairs would be charged to the Income and Expenditure account.

In addition, the Association has a long-term programme of major repairs to cover for works which have become necessary since the original development was completed, including works required by subsequent legislative changes. This includes replacement or repairs to features of the properties, which have come to the end of their economic lives. In line with the SORP 2014, 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 Income and Expenditure account.

### **Credit Payment Policy**

The Association's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The average payment period is thirty days (2019: thirty days).

### **Future Developments**

The Association intends to continue with its policy of improving the quality of housing within its area of operation.

### **Budgetary Process**

Each year the Committee of Management approve the annual budget and rolling 5 year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Management Committee of variances from the budget, updated forecasts for the year together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure and treasury management.

### **Quality and Integrity of Personnel**

The integrity and competence of personnel are ensured through high recruitment standards and subsequent training courses. High quality personnel are seen as an essential part of the control environment and the ethical standards expected are communicated through the Director.

### **General Reserves Policy**

The Committee members have reviewed the reserves of North View. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. North View will be applying measures to rebuild the reserve to a position to cover 1 year's total general expenditure.

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **REPORT OF THE COMMITTEE OF MANAGEMENT**

**FOR THE YEAR ENDED 31 MARCH 2020**

### **Sales of housing properties**

Properties are disposed of under the appropriate legislation and guidance. All costs, first tranche sales, and grants relating to the share of property sold are removed from the financial statements at the date of sale. Any grants received that cannot be repaid from the proceeds of sale are abated and the grants removed from the financial statements.

### **Employee Involvement and Health and Safety**

North View takes seriously its responsibilities to employees and as a policy, provides employees with information on matters of concern to them. It is also the policy of the Association to consult, where practical, employees or their representatives so that their views may be taken into account in making decisions likely to affect their interests.

### **Disabled Employees**

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the Association may continue.

It is the policy of the Association that training, career development and promotion opportunities should be available to all employees.

### **Committee and Officers' Insurance**

North View has purchased and maintains insurance to cover its Committee and officers against liabilities in relation to their duties on behalf of North View, as authorised by the Association's rules.

### **Home Ownership**

In 2003, Communities Scotland with funding from the Scottish Executive, launched a Mortgage to Rent scheme, aimed at helping those under threat of repossession as a result of mortgage arrears. The Association is committed to the scheme, which allows the owner to become a tenant, avoiding the upheaval of removing families from their existing support networks, and the costs of housing homeless families. The Association has not processed any mortgage to rent purchases as yet.

### **Going Concern**

The Committee of Management has reviewed the results for this year and has also reviewed the projections for the next five years along with forecast set out in the Association's 30 year Financial Plan. The projections have been stress tested for variations in interest, inflation and rent income and include proposed development and improvements to current housing stock and the funding requirements for this work.

Further review and stress testing is being carried out in light of the coronavirus pandemic. This includes consideration of the impact on income streams of delays to the completion of new build properties, increases in the number of void properties and increases in the levels of arrears and bad debts.

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **REPORT OF THE COMMITTEE OF MANAGEMENT**

### **FOR THE YEAR ENDED 31 MARCH 2020**

#### **Going Concern (*continued*)**

The Committee of Management has considered the extent of operational disruption caused by the pandemic. At the time of signing, development and maintenance programmes are resuming. The Committee of Management is satisfied that the disruption will have no lasting impact on future operations.

The Committee of Management has concluded that the present arrangements are adequate for the Association to meet its liabilities as they fall due for the foreseeable future. Accordingly, it continues to adopt the Going Concern basis in preparing the financial statements.

#### **Pension Scheme**

The Committee of Management were advised in October 2019 that the pension contributions for both employer and employee in the Scottish Housing Association Pension Scheme (SHAPS) Defined Benefit (DB) Scheme were being increased by 3.6%.

At a meeting on 13<sup>th</sup> November 2019 a discussion paper was presented to Committee costing the options available to them.

After considering all the options and taking into account the increased costs involved in remaining in the DB scheme with the additional contribution rate, it was unanimously decided that staff should be consulted on the Committee's decision to transfer all staff from the Defined Benefit (DB) scheme to the Defined Contribution (DC) scheme, to which some staff were currently contributing within SHAPS.

The consultation took place on 8<sup>th</sup> December 2019 and all staff were in agreement with the Committee of Management's proposal which was ratified by Management Committee in January 2020.

The transfer from DB to DC scheme took place on 1<sup>st</sup> April 2020.

**NORTH VIEW HOUSING ASSOCIATION LIMITED**  
**REPORT OF THE COMMITTEE OF MANAGEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**Committee of Management**

The Members of the Committee of the Association during the year to 31 March 2020 and up to the date of these financial statements were as follows:

Iris Robertson	Chairperson - appointed 23/9/2020
Josephine Deacon	Vice Chairperson – appointed 23/9/2020
Jim Dougherty	Treasurer – appointed 23/9/2020
Audrey Laird	Secretary
Wilma McCubbin	Member
William Hamilton	Member
Alex Bruce	Member
Kenneth Robertson	Member
Christine Devine	Member
Diana Hamilton	Member – resigned 23/9/2020

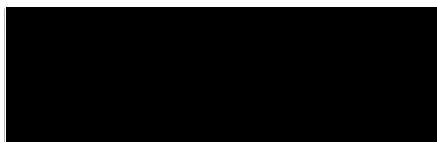
Each member of the Committee of Management holds one fully paid share of £1 in North View. The Director of North View holds no interest in North View's share capital and although not having the legal status of "director" acts as executive within the authority delegated by the Committee.

**Director** - Euan Anderson

**Auditors**

RSM UK Audit LLP has indicated its willingness to continue in office as auditors to the Association.

On behalf of the Committee of Management



Secretary

29a Stravanan Road  
Castlemilk  
Glasgow  
G45 9LY

Date: 29/10/2020

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **STATEMENT OF COMMITTEE RESPONSIBILITIES**

**YEAR ENDED 31 MARCH 2020**

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Management Committee to ensure that financial statements are prepared for each financial year, which give a true and fair view of the Association's state of affairs and of the surplus or deficit of the Association for that period. In preparing those financial statements, the Management Committee is required to:

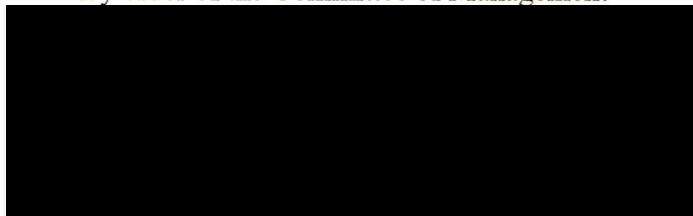
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is not appropriate to presume that the Association will continue in business.

The Committee of Management is responsible for the keeping of proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Association. The Committee of Management must ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Registered Housing Associations 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 has general responsibility for taking reasonable steps to safeguard the assets of the RSL and to prevent and detect fraud and other irregularities.

The Management Committee is responsible for the maintenance and integrity of the corporate and financial information included on the North View Housing Association website.

By order of the Committee of Management

Date: 29/10/2020



# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **COMMITTEE OF MANAGEMENT'S STATEMENT ON INTERNAL FINANCIAL CONTROL**

**YEAR ENDED 31 MARCH 2020**

The Committee of Management acknowledge their ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the various business environments 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 Committee of Management'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 include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets.
- experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance.
- forecasts and budgets are prepared regularly which allow the Committee of Management and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising Committee of Management members and others.
- the Committee of Management review reports from management, from directors, staff and from internal and the external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association.
- there is a continuing programme of internal audit work, undertaken by a firm of Chartered Accountants. Governance, Finance, Rent arrears and void management were the subject of this year's programme. Internal financial control will be the subject of future year's work.
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

**NORTH VIEW HOUSING ASSOCIATION LIMITED**

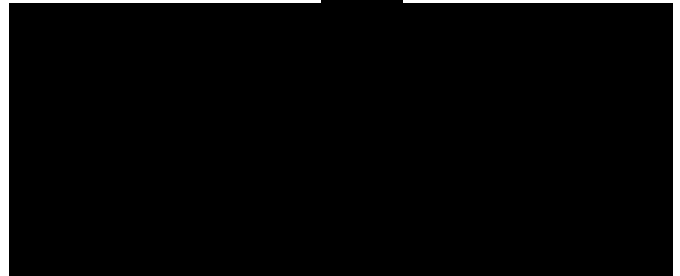
**COMMITTEE OF MANAGEMENT'S STATEMENT ON INTERNAL FINANCIAL  
CONTROL**

**YEAR ENDED 31 MARCH 2020  
(CONTINUED)**

The Committee of Management have reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2020 and until the below date. No weaknesses were found in internal financial controls, which could result in material losses, contingencies, or uncertainties, which require disclosure in the financial statements, or in the auditor's report on the financial statements.

By order of the Committee of Management

Date: 29/10/2020



## **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF NORTH VIEW HOUSING ASSOCIATION LIMITED ON INTERNAL FINANCIAL CONTROLS**

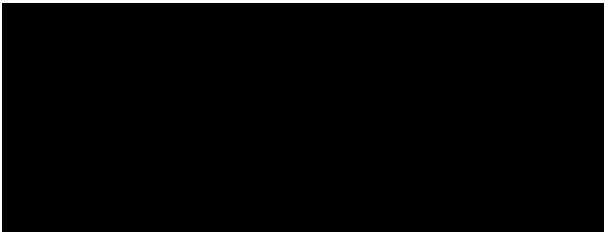
In addition to our audit of the Financial Statements, we have reviewed your statement on pages 9 and 10 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" 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 to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council through enquiry of certain members of the Management Committee and Officers of the Association and examination of relevant documents. 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 9 and 10 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.



Statutory Auditor  
Chartered Accountants  
Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

Date: 30 October 2020

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH VIEW HOUSING ASSOCIATION LIMITED**

### **Opinion**

We have audited the financial statements of North View 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 Cashflows 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 FRS 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;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 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 Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Committee 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH VIEW 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:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements 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 Committee**

As explained more fully in the Statement of Committee Responsibilities set out on page 8, the Committee 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 Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends 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**

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/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 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.



Statutory Auditor  
Chartered Accountants  
Third floor, Centenary House  
69 Wellington Street  
Glasgow, G2 6HG

Date 30 October 2020

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

**FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
<b>Turnover</b>	2	3,437,506	3,338,352
Operating costs	2	<u>(2,944,751)</u>	<u>(2,718,617)</u>
<b>Operating surplus</b>		492,755	619,735
Gain on sale of fixed assets		-	-
Interest receivable		917	504
Interest payable and financing costs	4	<u>(272,389)</u>	<u>(270,856)</u>
<b>Surplus/(Deficit) for the year before taxation</b>		221,283	349,383
Taxation	5	<u>-</u>	<u>-</u>
<b>Surplus for the year</b>		221,283	349,383
<b>Other comprehensive income</b>			
Initial recognition of multi-employer defined benefit scheme	19	-	(159,000)
Actuarial gains in respect of defined benefit pension scheme	19	<u>352,000</u>	<u>21,000</u>
<b>Total Comprehensive Income for the Year</b>	17	<u><u>573,283</u></u>	<u><u>211,383</u></u>

The accompanying notes form part of these financial statements.

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

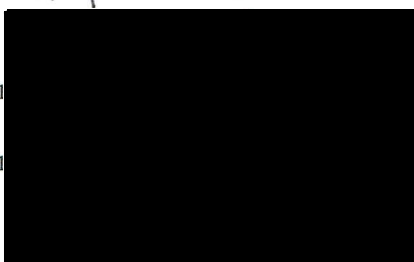
	Notes	2020 £	2019 £
<b>Fixed Assets</b>			
Housing properties	8	16,945,801	17,145,158
Other fixed assets	9	521,169	526,491
Intangible fixed assets	9a	78,826	60,144
		<u>17,545,796</u>	<u>17,731,793</u>
<b>Current Assets</b>			
Trade and other Debtors	10	144,668	165,017
Cash at bank and in hand		2,298,883	237,799
		<u>2,443,551</u>	<u>402,816</u>
<b>Current Liabilities</b>			
Creditors: Amounts falling due within one year	11	<u>(657,905)</u>	<u>(702,029)</u>
<b>Net Current Assets/(Liabilities)</b>		<u>1,785,646</u>	<u>(299,213)</u>
<b>Total Assets less Current Liabilities</b>		19,331,443	17,432,580
Creditors: Amounts falling due after more than one year	12	(16,215,413)	(14,554,382)
Pension – defined benefit net liability	19	-	(344,000)
Provisions	15	<u>(23,271)</u>	<u>(14,721)</u>
		<u>3,092,759</u>	<u>2,519,470</u>
<b>Capital and Reserves</b>			
Share capital	16	35	35
Revenue reserve		3,092,724	2,519,435
		<u>3,092,759</u>	<u>2,519,470</u>

These financial statements on pages 14 to 42 were authorised and approved for issue by the Committee of Management on 29.10.2020 and signed on their behalf by:

Committee Member

Committee Member

Secretary:



# NORTH VIEW HOUSING ASSOCIATION LIMITED

## STATEMENT OF CASHFLOWS

**FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
<b>Net cash provided by operating activities</b>	17	851,715	1,004,507
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets		(454,413)	(954,696)
Purchase of intangible fixed assets		(44,772)	(85,680)
Interest received		917	504
HAG received		136,761	394,679
<b>Net cash used in investing activities</b>		(361,507)	(645,193)
<b>Cash flow from financing activities</b>			
Interest paid		(272,389)	(270,856)
Repayments of borrowings		(156,735)	(287,384)
Loan drawn down		2,000,000	-
Shares issued and cancelled		-	3
<b>Net cash used in financing activities</b>		1,570,876	(558,237)
<b>Net change in cash and cash equivalents</b>		2,061,084	(198,923)
Cash and cash equivalents at the beginning of the year		237,799	436,722
Cash and cash equivalents at the end of the year		2,298,883	237,799
<b>Analysis of cash and cash equivalents</b>			
Cash in hand		2,298,883	237,799
<b>Total cash and cash equivalents</b>		2,298,883	237,799

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## STATEMENT OF CASHFLOWS

**FOR THE YEAR ENDED 31 MARCH 2020**

(Continued)

### Analysis of Changes in Net Debt

#### *Reconciliation of net cash flow to movement in net debt*

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
(Decrease)/increase in cash for the year	2,061,084	(198,923)
Loan repayments	<u>156,735</u>	<u>287,384</u>
Changes in net debt	2,217,819	88,462
Net debt as at 1 April 2019	<u>(6,054,439)</u>	<u>(6,142,902)</u>
Net debt as at 31 March 2020	<u><u>(3,836,620)</u></u>	<u><u>(6,054,439)</u></u>

	<b>As at 31 March 2019</b>	<b>Cashflows</b>	<b>As at 31 March 2020</b>
Cash in hand and at bank	237,799	2,061,084	2,298,883
Debt due within one year	(191,058)	(43,840)	(234,898)
Debt due after one year	<u>(6,101,180)</u>	<u>(1,799,424)</u>	<u>(7,900,604)</u>
	<u><u>(6,054,439)</u></u>	<u><u>217,820</u></u>	<u><u>(5,836,619)</u></u>

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2020**

### **1. Accounting Policies**

#### *Legal Status*

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010.

The address of the Company's registered office and principal place of business is 29a Stravanan Road, Castlemilk, Glasgow G45 9LY.

The Association's principal activities are detailed in the Committee of Management's Report. The nature of the Associations operations is detailed in the Committee of Management's Report.

North View Housing Association Ltd is a Public Benefit Entity.

#### **1.1 Basis of Accounting**

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2014 "Statement of Recommended Practice for Registered Housing Providers" and comply with the Determination of Accounting Requirements 2019, and under the historical cost convention, modified to include certain financial instruments at fair value.

The financial statements are prepared in Sterling (£).

#### **1.2 Critical Accounting Estimates and Areas of Judgement**

Preparation of the financial statements requires management to make critical judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included below.

##### *Critical accounting estimates:*

Useful lives of housing property - management reviews its estimate of the useful lives of depreciable assets at each reporting date based on industry averages and our review of our stock. Uncertainties in these estimates relate to the length of time certain components in our homes will last, with varying levels of use potentially lengthening or shortening the lives of these components.

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2020**

**(Continued)**

### **1.2 Critical Accounting Estimates and Areas of Judgement (*continued*)**

Recoverable amount of rent arrears and debtors – management considers the reasonable likelihood of rent arrears and debtors being recoverable based on past experience. While every effort is made not to over-estimate the amounts which will be recovered by the Association in the future, the actual amounts which might be received are often outwith the Associations' control.

Net defined benefit pension liability – Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 19). The net defined benefit pension liability at 31 March 2020 was £nil.

### **1.3 Going Concern**

The Committee of Management has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. This is based on the Association's Business Plan for 2021, which was approved by the Committee of Management on 30 September 2020. This continues to show a strong financial performance with investment in new supply of housing stock, management and maintenance of housing stock and full repayment of all borrowings in the lifetime of the plan. Cash flows remain positive throughout the plan and all financial covenants, which are forecasts also, are expected to be met. These are closely monitored throughout. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Specific consideration of rent arrears as a key uncertainty has been considered in detail through sensitivity testing and monitored closely.

### **1.4 Turnover and Revenue Recognition**

Turnover relates to the income from the letting of properties at affordable rents, together with revenue grants receivable in the period. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

### **1.5 Government Grants**

Government grants include grants receivable from the Scottish Government, local authorities and other government bodies. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Reasonable assurance is normally obtained when (e.g. the grant has been awarded in writing).

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2020**

**(Continued)**

### **1.5 Government Grants (*continued*)**

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) under the accruals model.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, then any unamortised grant remaining is derecognised as a liability and recognised as income. Where there is a requirement to repay a grant a liability is included in the Statement of Financial Position to recognise this obligation.

### **1.6 Other Grants**

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

### **1.7 Fixed assets - Housing properties**

Housing properties are properties for the provision of social housing or to otherwise provide social benefit and are principally properties available for rent.

Completed housing properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes the cost of acquiring land and buildings, and expenditure incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in either:

- An increase in rental income;
- A material reduction in future maintenance costs; or
- A significant extension to the life of the property.

Works to existing properties which fail to meet the above criteria are charged to the Income and Expenditure account.

Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale, except for first tranche sales. Any grants received that cannot be repaid from the proceeds of sale are abated and the grant removed from the financial statements.

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2020**

**(Continued)**

### **1.8 Depreciation of Housing Properties**

#### **i) Housing Land and Buildings**

The Association separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight line basis over the following years:

Land	Not depreciated
Structure	Over 60 years
Kitchen	Over 15 years
Window	Over 25 years
Heating	Over 30 years
Boiler	Over 15 years
Bathroom	Over 25 years
Doors	Over 25 years
Smoke detectors	Over 10 years

Housing properties for letting under construction are not depreciated throughout the year. The useful life is considered to commence on completion of the asset and therefore depreciation will commence on completion.

### **1.9 Impairment of Fixed Assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the RSL estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the statement of comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2020**

**(Continued)**

### **i) Other Fixed Assets**

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Furniture, fittings and computer equipment	–	20% straight line
Motor Vehicles	–	35% straight line
Office Property	–	2% straight line

### **ii) Intangible Fixed Assets**

Intangible fixed assets are initially measured at cost, net of amortisation and any impairment losses. Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Software	–	20% straight line
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### **1.10 Borrowing Costs**

General and specific borrowing costs directly attributable to the acquisition and construction of qualifying properties are added to the cost of those properties until such a time as the properties are ready for their intended use or sale.

All other borrowing costs are expensed as incurred.

### **1.11 Tax**

The Association has charitable status and is registered with the Office of Scottish Charities Regulator and is therefore exempt from paying Corporation Tax on charitable activities.

### **1.12 Deposits and Liquid Resources**

Cash comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying value.

### **1.13 Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2020**

**(Continued)**

### **1.13 Employee Benefits (*continued*)**

Employees can carry forward any unused holiday or TOIL entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the RSL is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### **1.14 Pensions**

#### *Defined Benefit Plan*

The Association participated in the Scottish Housing Association Pension Scheme (SHAPS) which is a funded multi-employer scheme and applied defined benefit accounting as a result. The scheme assets were measured at fair value. Scheme liabilities were measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. On 01/04/2020 the Association's employees no longer participated in the defined benefit section of the scheme and all members transferred over to the defined contribution element. The defined benefit net liability has been extinguished as a result.

#### *Retirement benefits*

For defined contribution schemes the amount charged to the Statement of Comprehensive Income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

### **1.15 Financial Instruments**

The Association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument and are offset only when the Association currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2020**

**(Continued)**

### **1.15 Financial Instruments (*continued*)**

A provision for impairment of debtors is established when there is objective evidence that

the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income and expenditure for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income and expenditure.

#### ***Financial assets***

##### ***Debtors***

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade or other debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

#### ***Financial liabilities***

##### ***Trade creditors***

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

##### ***Borrowings***

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Commitments to receive a loan are measured at cost less impairment.

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS

**YEAR ENDED 31 MARCH 2020**

(Continued)

### 1.16 Provisions

Provisions are recognised when the RSL has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

## 2. Particulars of turnover, operating costs and operating surplus or deficit

	Notes	Turnover £	Operating Costs £	2020 Operating Surplus £	2019 Operating Surplus £
<b>Affordable Letting Activities</b>	3a	3,425,249	(2,879,954)	545,295	627,756
<b>Other Activities</b>	3b	12,257	(64,797)	(52,540)	(8,021)
		<u>3,437,506</u>	<u>(2,944,751)</u>	<u>492,755</u>	<u>619,735</u>
<b>Remeasurement of Pension Deficit</b>	19	352,000	-	352,000	(138,000)
<b>Total</b>		<u>3,789,506</u>	<u>(2,944,751)</u>	<u>844,755</u>	<u>481,735</u>
<b>Total for previous reporting period</b>		<u>3,338,352</u>	<u>(2,856,617)</u>	<u>481,735</u>	

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS

**YEAR ENDED 31 MARCH 2020**

(Continued)

### 3a. Particulars of turnover, operating costs and operating surplus from affordable letting activities

	General Needs Housing £	Supported Housing Accommodation £	Shared Ownership Housing £	Total 2020 £	Total 2019 £
Rent receivable net of service charges	3,062,425	55,319	3,665	3,121,409	3,006,982
Service charges	5,329	25,370	-	30,699	32,181
Gross income from rents and service charges	3,067,754	80,689	3,665	3,152,108	3,039,163
Less voids	(15,637)	(2,170)	-	(17,807)	(11,261)
<b>Net Income from rents and service charges</b>	3,052,117	78,519	3,665	3,134,301	3,027,902
Grants released from deferred income	290,948	-	-	290,948	284,371
<b>Total turnover from social letting activities</b>	3,343,065	78,519	3,665	3,425,249	3,312,273
Management and maintenance administration costs	1,381,187	16,616	1,694	1,399,497	1,333,345
Service costs	68,844	9,544	-	78,388	64,109
Planned and cyclical maintenance including major repairs costs	317,257	3,817	-	321,074	318,662
Reactive maintenance costs	388,803	4,677	-	393,480	365,331
Bad debts – rents and service charges	71,277	-	-	71,277	11,613
Depreciation of affordable let properties	607,108	7,304	1,826	616,238	591,457
<b>Operating costs for affordable letting activities</b>	2,834,476	41,958	3,520	2,879,954	2,684,517
<b>Operating surplus from affordable lettings at 31 March 2020</b>	508,589	36,561	145	545,295	627,756
<b>Operating surplus from affordable letting at 31 March 2019</b>	589,508	38,064	184	627,756	

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 MARCH 2020

(Continued)

### 3b – Particulars of turnover, operating costs and operating surplus or deficit from other activities

	<i>Grants from Scottish Ministers</i>	<i>Other revenue grants</i>	<i>Supporting people income</i>	<i>Other income</i>	<i>Total Turnover</i>	<i>Operating costs – bad debts</i>	<i>Other operating costs</i>	<i>Operating surplus (deficit)</i>	<i>or</i>	<i>Operating surplus or deficit for previous reporting period</i>
	£	£	£	£	£	£	£	£		£
-										
Wider action/wider role	-	-	-	-	-	-	(223)	(223)		-
Care and repair	-	-	-	-	-	-	-	-		-
Investment property activities	-	-	-	-	-	-	-	-		-
Factoring	-	-	-	8,496	8,496	-	(14,642)	(6,146)		6,196
Support activities	-	-	-	-	-	-	-	-		-
Care activities	-	-	-	-	-	-	-	-		-
Contracted out activities undertake for RSLs	-	-	-	-	-	-	-	-		-
Contracted out services undertaken for other organisations	-	-	-	-	-	-	-	-		-
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-		-
Developments and improvements for sale to other organisations	-	-	-	-	-	-	-	-		-
Uncapitalised development administration costs	-	-	-	-	-	-	(49,932)	(49,932)		(21,261)
Other activities - energy efficiency – solar return	-	-	-	-	-	-	-	-		7,044
- Miscellaneous	-	-	-	11	11	-	-	11		-
- home owners management fee	-	-	-	3,750	3,750	-	-	3,750		-
<b>Total from other activities</b>	-	-	-	12,257	12,257	-	(64,797)	(52,540)		(8,021)
<b>2019</b>	-	-	-	26,079	26,079	-	(34,100)	(8,021)		

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS

**YEAR ENDED 31 MARCH 2020**

(Continued)

### 4. Interest payable and similar charges

	2020 £	2019 £
Interest arising on:		
Bank loans	264,389	260,856
Defined benefit pension charge	8,000	10,000
	<u>272,389</u>	<u>270,856</u>

### 5. Taxation

The Association was awarded charitable status by the Inland Revenue on 26 March 2002, and so is not liable to Corporation Tax on its exempt activities.

### 6. Operating surplus or deficit

	2020 £	2019 £
Operating surplus is stated after charging/(crediting):		
Depreciation of housing properties	616,238	591,457
Depreciation of other tangible fixed assets:		
- owned	42,851	59,746
Surplus on disposal of tangible fixed assets	<u>-</u>	<u>-</u>
 Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
Audit services – statutory audit	15,180	10,560
Other services:		
Support and training on Insight	<u>12,000</u>	<u>12,000</u>
	<u>27,180</u>	<u>22,560</u>

### 7. Employees

	2020 £	2019 £
Staff costs (including key management personnel) during the year:		
Wages and salaries	649,046	663,966
Social security costs	61,817	65,813
Other pension costs	182,801	163,852
	<u>893,664</u>	<u>893,631</u>

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS

**YEAR ENDED 31 MARCH 2020**

(Continued)

### 7. Employees (continued)

The average monthly number of full-time equivalent persons (including key management personnel) employed by the Association during the year were as follows:

	<b>2020</b>	<b>2019</b>
	<b>No</b>	<b>No</b>
Administration and maintenance	<u>20</u>	<u>21</u>

The key management personnel are defined as the members of the Management Committee and the Director.

The number of key management personnel who received emoluments (excluding employer pension contributions) in excess of £60,000 during the reporting period fell within the following bands:

	<b>2020</b>	<b>2019</b>
	<b>No</b>	<b>No</b>
£60,001 to £70,000	<u>1</u>	<u>1</u>

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Aggregate Emoluments payable to the above key management personnel (including pension contributions and benefits in kind)	<u>74,716</u>	<u>71,044</u>
Emoluments payable to the Director (excluding pension contributions)	<u>66,563</u>	<u>65,066</u>
Aggregate Pension contributions in relation to the above key management personnel	<u>8,153</u>	<u>5,978</u>

The Association also paid Employer's national insurance of £6,845.57 and PAYE deductions were £12,417.95

No member of the Committee of Management received any emoluments in respect of their services to the Association.

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS

**YEAR ENDED 31 MARCH 2020**

(Continued)

### 8. Tangible Fixed Assets – Housing Land and Buildings

	<b>Social Housing Properties Held for Letting £</b>	<b>Housing Properties for letting under Construction £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2019	26,152,116	392,533	26,544,649
Additions	274,398	142,483	416,881
Disposals	(172,522)	-	(172,522)
At 31 March 2020	26,253,992	535,016	26,789,008
<b>Depreciation and Impairment</b>			
At 1 April 2019	9,399,491	-	9,399,491
Charge for the year	616,238	-	616,238
Disposals	(172,522)	-	(172,522)
At 31 March 2020	9,843,207	-	9,843,207
<b>Net book value at 31 March 2020</b>	16,410,785	535,016	16,945,801
<b>Net book value at 31 March 2019</b>	16,752,625	392,533	17,145,158

The Association considers individual schemes to be separate cash generating units when assessing for impairment. No land or buildings are held under a lease. The aggregate amount of finance costs included in the cost of housing properties is £nil (2019: £nil). Land value is £nil (2019: £nil)

#### Expenditure on Works to Existing Properties

	<b>2020</b>	<b>2019</b>
Improvement work capitalised	30,181	16,892
Replacement component spend capitalised	244,217	558,242
Amounts charged to income and expenditure	4,852	-
Total major repairs spend	279,250	575,134

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS

**YEAR ENDED 31 MARCH 2020**

(Continued)

### 9. Other Tangible Fixed Assets

	Motor Vehicles £	Furniture & Fittings £	Office Property	Computer Equipment £	Total £
<b>Cost</b>					
At 1 April 2019	101,902	112,781	653,836	275,759	1,144,278
Additions	14,394	6,277	2,500	14,358	37,529
Disposals	(47,525)	-	-	-	(47,525)
At 31 March 2020	68,771	119,058	656,336	290,117	1,134,282
<b>Depreciation</b>					
At 1 April 2019	88,029	99,569	172,692	257,497	617,787
Charge for year	14,613	6,364	13,126	8,748	42,851
Disposals	(47,525)	-	-	-	(47,525)
At 31 March 2020	55,117	105,933	185,818	266,245	613,113
<b>Net book value at 31 March 2020</b>	13,654	13,125	470,518	23,872	521,169
<b>Net book value at 31 March 2019</b>	13,873	13,212	481,144	18,262	526,491

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS

**YEAR ENDED 31 MARCH 2020**

(Continued)

### 9a. Intangible Fixed Assets

	Software £
<b>Cost</b>	
At 1 April 2019	85,680
Additions	44,772
Disposals	-
At 31 March 2020	<u>130,452</u>
<b>Amortisation</b>	
At 1 April 2019	25,536
Charge for year	26,090
Disposals	-
At 31 March 2020	<u>51,626</u>
<b>Net book value at 31 March 2020</b>	<u><u>78,826</u></u>
<b>Net book value at 31 March 2019</b>	<u><u>60,144</u></u>

### 10. Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Rent and service charges receivable	210,914	133,530
Less bad debt provision	<u>(121,572)</u>	<u>(64,320)</u>
	89,342	69,210
Prepayments	<u>55,326</u>	<u>95,807</u>
	<u><u>144,668</u></u>	<u><u>165,017</u></u>

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS

**YEAR ENDED 31 MARCH 2020**

(Continued)

### 11. Creditors: Amounts Falling Due Within One Year

	2020	2019
	£	£
Debt (Note 14)	234,898	191,058
Contractors' certified work	10,082	95,927
Rents in advance	93,728	84,121
Accruals and deferred income	320,283	330,923
Other creditors	(1,086)	-
	<u>657,905</u>	<u>702,029</u>

### 12. Creditors: Amounts Falling Due After More than One Year

	2020	2019
	£	£
Debt (Note 14)	7,900,604	6,101,180
Deferred Capital Grants (Note 13)	8,314,809	8,453,202
	<u>16,215,413</u>	<u>14,554,382</u>

### 13. Deferred capital grant

	2020	2019
	£	£
As at 1 April	8,744,150	8,633,841
Grant received in year	136,761	394,679
Capital grant released	<u>(290,948)</u>	<u>(284,370)</u>
At 31 March	<u>8,589,963</u>	<u>8,744,150</u>
Amounts to be released within one year	275,154	290,948
Amounts to be released in more than one year	<u>8,314,809</u>	<u>8,453,202</u>
	<u>8,589,963</u>	<u>8,744,150</u>

### 14. Debt analysis - Borrowings

	2020	2019
	£	£
Creditors: amounts falling due within one year		
Bank loans	<u>234,898</u>	<u>191,058</u>
Creditors: amounts falling due after more than one year		
Bank loans	<u>7,900,604</u>	<u>6,101,180</u>

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS

**YEAR ENDED 31 MARCH 2020**

(Continued)

### 14. Debt analysis – Borrowings (continued)

Borrowings are denominated and repaid in pounds sterling, have contractual interest rates that are fixed rates and one variable rate that are not leveraged, and do not contain conditional returns or repayment provisions other than to protect the lender against credit deterioration or changes in relevant legislation or taxation.

Bank loans are secured by specific charges on the Association's properties. Loans relate to housing properties and Head Office. Loans are repayable at rates of interest of 0.77% to 5.63% (2019 – 0.77% to 5.63%). The Association makes quarterly repayments of the bank borrowing.

Based on the lender's earliest repayment dates, borrowings are repayable as follows:

	2020 £	2019 £
Due within one year	234,898	191,058
Due in one year or more but less than two years	239,190	184,522
Due between two and five years	1,049,117	805,385
Due more than five years	<u>6,612,297</u>	<u>5,111,273</u>
	<u>8,135,502</u>	<u>6,292,238</u>

### 15. Provisions

	Holiday Pay £
At 1 April 2019	14,721
Utilised in the year	(14,721)
Additional provision in year	23,271
	<u>23,271</u>

#### *Holiday Pay*

This represents holiday accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the statutory cost payable for the period of absence.

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS

**YEAR ENDED 31 MARCH 2020**

(Continued)

### 16. Share Capital

	<b>2020</b>	<b>2019</b>
<i>Share Capital</i>	<b>£</b>	<b>£</b>
Shares of £1 fully paid and issued at 1 April 2019	35	32
Shares issued during year	11	3
Shares cancelled during the year	<u>(11)</u>	<u>-</u>
Shares issued at 31 March 2020	<u>35</u>	<u>35</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.

### 17. Cash flow from operating activities

	<b>2020</b>	<b>2019</b>
Surplus for year	573,283	211,383
Adjustments for non-cash items:		
Depreciation	685,179	651,202
Amortisation	(290,948)	(284,371)
Gain on sale of fixed assets	-	-
Decrease in debtors	20,349	(29,610)
Cancellation of shares	-	-
Decrease in creditors	(72,170)	49,555
Decrease in provisions	(335,450)	(504)
Adjustments for investing or financing activities:		
Interest received	(917)	270,856
Interest paid	<u>272,389</u>	<u>135,996</u>
	<u>851,715</u>	<u>1,004,507</u>

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2020

(Continued)

### 18. Capital Commitments

	2020	2019
	£	£
Expenditure contracted for but not provided in the financial statements	-	-
Expenditure authorised by the Committee but not contracted	-	-
	<u>-</u>	<u>-</u>

### 19. Pension Fund

North View Housing Association Limited participates in the SHAPS UK defined benefit scheme, a multi-employer scheme which provides benefits to some 150 non-associated employers. The scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m. A recovery plan has been put in place to eliminate the deficit which runs to 23 March 2023 for the majority of employers, although certain employers have different arrangements.

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

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

For accounting purposes, two actuarial valuations for the scheme were carried out with effective dates of 31 March 2019 and 30 September 2019. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the Association's fair share of the scheme's total assets to calculate the Association's net deficit or surplus at the accounting period start and end dates.

As described in the Report of the Committee of Management, all staff transferred over from the Defined Benefit (DB) scheme to the Defined Contribution (DC) scheme on 1 April 2020.

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS

**YEAR ENDED 31 MARCH 2020**

(Continued)

### 19. Pension Fund (continued)

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2020	31 March 2019
	(£000s)	(£000s)
Fair value of plan assets	1,804	1,507
Present value of defined benefit obligation	1,778	1,851
Surplus / (deficit) in plan	26	(344)
Unrecognised surplus	26	-
Defined benefit asset / (liability) to be recognised	-	(344)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2020 (£000s)
Defined benefit obligation at start of period	1,851
Current service cost	170
Expenses	2
Interest expense	45
Contributions by plan participants	-
Actuarial losses (gains) due to scheme experience	(4)
Actuarial losses (gains) due to changes in demographic assumptions	(11)
Actuarial losses (gains) due to changes in financial assumptions	(242)
Benefits paid and expenses	(33)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	1,778

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS

**YEAR ENDED 31 MARCH 2020**

(Continued)

### 19. Pension Fund (continued)

#### RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	<b>Period ended 31 March 2020 (£000s)</b>
Fair value of plan assets at start of period	1,507
Interest income	37
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	130
Contributions by the employer	163
Contributions by plan participants	-
Benefits paid and expenses	(33)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	1,804

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £167,000

#### DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCl)

	<b>Period from 31 March 2019 to 31 March 2020 (£000s)</b>
Current service cost	170
Expenses	2
Net interest expense	8
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCI)	180

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2020**

(Continued)

### **19. Pension Fund (continued)**

#### **DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME**

	<b>Period ended 31 March 2020 (£000s)</b>
Experience on plan assets (excluding amounts included in net interest cost) – gain (loss)	130
Experience gains and losses arising on the plan liabilities - gain (loss)	4
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	11
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	242
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	387
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	(26)
Total amount recognised in other comprehensive income - gain (loss)	361

# NORTH VIEW HOUSING ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS

### YEAR ENDED 31 MARCH 2020

(Continued)

#### 19. Pension Fund (continued)

##### ASSETS

	31 March 2020	31 March 2019
	(£000s)	(£000s)
Absolute Return	111	128
Alternative Risk Premia	145	84
Corporate Bond Fund	132	106
Credit Relative Value	43	26
Distressed Opportunities	33	26
Emerging Markets Debt	64	48
Fund of Hedge Funds	-	4
Global Equity	248	242
Index Linked All Stock Gilts	-	-
Infrastructure	106	63
Insurance-Linked Securities	48	39
Liability Driven Investment	475	536
Long Lease Property	44	18
Net Current Assets	14	2
Over 15 Year Gilts	23	39
Private Debt	36	19
Property	34	30
Risk Sharing	57	44
Secured Income	100	53
Opportunistic Liquid Credit	44	-
Liquid Credit	47	-
Total assets	1,804	1,507

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

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE ACCOUNTS**

### **YEAR ENDED 31 MARCH 2020**

(Continued)

#### **19. Pension Fund (continued)**

##### **KEY ASSUMPTIONS**

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>% per annum</b>	<b>% per annum</b>
Discount Rate	2.36%	2.33%
Inflation (RPI)	2.58%	3.28%
Inflation (CPI)	1.58%	2.28%
Salary Growth	2.58%	3.28%
Allowance for commutation of pension for cash at retirement		75% of maximum allowance

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

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

# **NORTH VIEW HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE ACCOUNTS**

### **YEAR ENDED 31 MARCH 2020**

(Continued)

#### **20. Contingent Liabilities**

At 31 March 2020 the Association had no contingent liabilities (2019 - £Nil).

#### **21. Housing Stock**

The number of units in Management at 31 March 2020 was as follows:-

	<b>2020</b>	<b>2019</b>
	<b>No</b>	<b>No</b>
General needs	665	665
Supported	8	8
Shared ownership	2	2
	<u>675</u>	<u>675</u>

#### **22. Related Parties**

Eight of the eleven Committee of Management members are also tenants of the Association. Their tenancies are on normal commercial terms. During the year £34,475.52 (2019; £37,450.32) of rent was receivable from these tenant members. At the year-end there were £nil (2019: £nil) of rent arrears due from these tenant members.

Amounts outstanding are unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the year (2019: £nil) in respect of bad debts from related parties.

There are no other related party transactions to disclose.