

**ORKNEY HOUSING ASSOCIATION LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 March 2019**

<b>RSL No</b>	<b>HAL 164</b>
<b>Charity No</b>	<b>SC 031734</b>

ORKNEY HOUSING ASSOCIATION  
REPORT AND FINANCIAL STATEMENTS  
for the year ended 31 March 2019

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**Management Committee**

Wendy Baikie  
Philip Cook  
David Dawson  
Linda Forbes  
Elaine Grieve  
Stacy Johnston (resigned 24.10.18)  
Fiona Lettice (Vice Chair)  
John Rodwell (Chair)  
John Stockan  
Jason Taylor (co-opted 27.3.19)  
William Wallace  
Roella Wilson (elected 27.3.19)

**Registered Office**

39a Victoria Street,  
Kirkwall,  
Orkney.  
KW15 1DN

**Registered Auditors**

Wylie & Bisset LLP  
168 Bath Street,  
Glasgow  
G2 4TP

**Bankers**

Royal Bank of Scotland,  
1 Victoria Street,  
Kirkwall.  
KW15 1DP

**Chief Executive**

Craig Spence

**Company Secretary**

Mhairi Hughes

**Company Registration**

2201RS

**Scottish Charity Number**

SC031734

**Solicitors**

J.E.P. Robertson & Son,  
26 Victoria Street,  
Stromness.  
KW16 3AA

TC Young  
7 West George Street,  
Glasgow  
G2 1BA

The Management Committee presents its report and the audited financial statements for the year ended 31 March 2019.

### **Principal Activity**

The principal activity of the Association is the provision of rented and low cost home ownership accommodation.

### **Review of Business and Future Developments**

The Association has the following corporate objectives for 2019/20 and beyond:

- Great place to work,
- Great customer service, and
- Great contribution to community and society.

During the year we have continued to build new properties, completing 28 rented and 4 low cost home ownership properties. We had one live development scheme at 31 March 2019 which will provide a further 8 rented properties in early 2020 and are actively working up two new schemes. We have continued to partner with other agencies to encourage energy efficiency amongst our residents. In order to develop our business and improve our services we will focus on:

- Continuing a sustainable development programme
- Keeping our rents affordable
- Supporting and developing our staff
- Providing quality services to our residents

### **Changes in Fixed Assets**

Details of fixed assets are set out in Note 10.

### **Multi-Employer Defined Benefit Pension Liability**

Details of changes to the accounting treatment of the multi-employer defined benefit pension liability are set out in Note 29.

### **Going Concern**

After reviewing detailed Income and Expenditure and Business Plan projections, and taking account of available bank facilities as well as making such further enquiries as they consider appropriate, the Management Committee is satisfied that the Association has adequate resources to continue to operate for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

### **The Management Committee and Chief Executive**

The Management Committee and Chief Executive of the Association are listed on page 2.

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

### **Related Party Transactions**

Any tenant who sits on the Management Committee enters into a tenancy on the Association's normal terms and conditions and cannot use this position to his or her advantage. The same position applies to any sharing owner in respect of their exclusive occupancy agreement.

### **Charitable Status**

Orkney Housing Association Limited was recognised by the Inland Revenue as a Scottish Charity from 30 May 2001.

### **Statement of Management Committee's Responsibilities**

Housing Association legislation requires the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the income and expenditure of the Association for the year ended on that date. In preparing those financial statements the Management Committee is required to:

- \* Select suitable accounting policies and then apply them consistently;
- \* Make judgements and estimates that are reasonable and prudent;
- \* State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- \* Comply with the disclosures required by the Scottish Housing Regulator's Regulatory Framework;
- \* Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business.

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

The Management Committee is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement on Internal Financial Controls**

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

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

It is the Management Committee'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. Key elements include ensuring that:

for the year ended 31 March 2019

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**Statement on Internal Financial Controls (continued)**

- (i) Formal policies and procedures are in place including the documentation of key systems and rules relating to the delegation of authorities which allow the monitoring of controls and restrict the unauthorised use of the Association's assets.
- (ii) Experienced and suitably qualified staff take responsibility for important business functions.
- (iii) Forecasts and budgets are prepared which allow Management Committee and Executive Officers to monitor the key business risks and financial objectives and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information, and significant variances from budgets are investigated as appropriate.
- (iv) All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through the Management Committee.
- (v) The Management Committee reviews reports from the Audit and Risk Management Sub-Committee, from internal management and from 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.
- (vi) The Audit and Risk Management Sub-Committee reviews internal audit reports based on an internal audit needs assessment and an agreed programme undertaken by an external provider.
- (vii) Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2019 and until 31 July 2019. No weaknesses were found in internal financial controls which resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

In so far as the Committee are aware:

There is no relevant audit information needed by the Association's auditors in connection with preparing their report of which the Association's auditors are unaware.

The Committee have taken all the steps that they ought to have taken to make themselves aware of such information.

**Auditors**

Wylie and Bisset have expressed their willingness to continue as the auditors of the Association.

By order of Management Committee

John Rodwell  
Chairperson

31 July 2019

## **Opinion**

We have audited the financial statements of Orkney Housing Association (the 'Association') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2019 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 Communities Benefit Societies Act 2014, the Housing (Scotland) Act 2010, and the Determination of Accounting Requirements 2014.

## **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 Management Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Management Committee have 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 Management Committee are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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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**

In the light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Committees' Report. We have nothing to report in respect of the following matters where The Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- The information given in the Report of the Management Committee is inconsistent with the Financial Statements;
- Proper books of accounts have not been kept by the Association in accordance with the requirements of the legislation;
- A satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirement of the legislation;
- The financial statements are not in agreement with the books of accounts; or
- We have not received all the information and explanations necessary for the purposes of our audit.

We have nothing to report in respect of these matters.

### **Responsibilities of The Management Committee**

As explained more fully in the Report of the Management Committee set out on pages 3 to 5, the Management Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee 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 Management Committee 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 Management Committee 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**

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,



REPORT OF THE AUDITORS TO ORKNEY HOUSING ASSOCIATION LIMITED

TO THE MEMBERS OF ORKNEY HOUSING ASSOCIATION (continued)

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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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the Association's members, as a body, in accordance with the Co-operative and Communities 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.

Wylie & Bisset LLP  
Chartered Accountants  
Statutory Auditor  
Glasgow

Date: 31 July 2019

# REPORT OF THE AUDITORS TO ORKNEY HOUSING ASSOCIATION LIMITED

## ON CORPORATE GOVERNANCE MATTERS

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

### **Basis of opinion**

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

### **Opinion**

In our opinion the Statement on Internal Financial Control on pages 4 and 5 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the Board of Management and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Board of Management's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

Wylie & Bisset LLP  
Chartered Accountants  
Statutory Auditors  
Glasgow

31 July 2019

ORKNEY HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2019

		2019	2018
	Notes	£	£
<b>Turnover</b> - continuing activities	2	5,262,428	5,087,499
Less: Operating costs	2	(3,945,481)	(4,176,256)
Operating surplus - continuing activities		<u>1,316,947</u>	<u>911,243</u>
Gain on disposal of fixed assets	25	82,503	49,594
Interest receivable		9,550	9,542
Interest and financing costs	8	(681,279)	(553,799)
Surplus before tax		<u>727,721</u>	<u>416,580</u>
Taxation	9	0	0
Surplus for the year		<u>727,721</u>	<u>416,580</u>
Initial recognition of multi-employer defined benefit scheme liability	29	(163,115)	0
Actuarial (loss)/gain in respect of pensions schemes	23	(221,759)	4,000
Total comprehensive income for the year		<u>342,847</u>	<u>420,580</u>

In each of the years ended 31 March 2018 and 31 March 2019 the only gain or loss recognised by the Association was the surplus or deficit for the year. All of the activities undertaken by the Association were continuing activities, and the reported surplus or deficit was determined under the historical cost convention.

The notes on pages 14 to 30 form part of these financial statements.

ORKNEY HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2019

		2019	2018
	Notes	£	£
<b>Tangible Fixed Assets</b>			
Housing properties	10	86,176,333	86,148,147
Other assets	10	1,435,303	1,457,190
		<u>87,611,636</u>	<u>87,605,337</u>
<b>Fixed Asset Investments</b>			
Investments	11	200,001	200,001
Shared equity costs	11	1,871,369	1,587,607
Shared equity grants	11	(1,871,369)	(1,587,607)
		<u>200,001</u>	<u>200,001</u>
<b>Current Assets</b>			
Investments	12	501,762	1,000,000
Work-in-progress	13	0	625,268
Trade and other debtors	14	331,395	362,115
Stock		41,031	34,446
Cash at bank and in hand		1,654,382	1,493,910
		<u>2,528,570</u>	<u>3,515,739</u>
<b>Creditors:</b> amounts falling due within one year	16	(1,701,619)	(2,373,050)
Net current assets		<u>826,951</u>	<u>1,142,689</u>
Total assets less current liabilities		88,638,588	88,948,027
<b>Creditors:</b> amounts falling due after more than one year			
Long term loans	17	(18,549,572)	(18,804,903)
Deferred income – capital grants	18	(61,492,228)	(62,290,297)
Pension – deficit funding liability	29	0	(388,398)
Pension - defined benefit liability	23	(789,509)	0
<b>Net assets</b>		<u>7,807,279</u>	<u>7,464,429</u>
<b>Capital and Reserves</b>			
Share capital	19	134	131
Revenue reserve	20	7,807,145	7,464,298
		<u>7,807,279</u>	<u>7,464,429</u>

The financial statements on pages 10 to 30 were approved by the Management Committee on 31 July 2019 and were signed on its behalf by:

..... Chairperson  
 ..... Committee member  
 ..... Secretary

ORKNEY HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN RESERVES

for the year ended 31 March 2019

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	Share Capital	Income & Expenditure Reserve	Revaluation Reserve	Total
	£	£	£	£
<b>At 1 April 2018</b>	131	7,464,298	0	7,464,429
Surplus for the year	0	342,847	0	342,847
Revaluation of tangible fixed assets	0	0	0	0
<b>Total comprehensive income</b>	<b>131</b>	<b>7,807,145</b>	<b>0</b>	<b>7,807,276</b>
Share capital cancelled	(7)	0	0	(7)
Share capital issued	10	0	0	10
<b>At 31 March 2019</b>	<b>134</b>	<b>7,807,145</b>	<b>0</b>	<b>7,807,279</b>

ORKNEY HOUSING ASSOCIATION LIMITED

STATEMENT OF CASHFLOWS

for the year ended 31 March 2019

	Notes	2019	2018
		£	£
<b>Net cash generated from operating activities (see below)</b>		<b>1,330,718</b>	<b>1,119,542</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets		(1,604,785)	(5,786,893)
Proceeds from sale of tangible fixed assets		1,234,709	946,443
Grants received (net)		(278,151)	2,427,307
Interest received		14,671	6,778
<b>Cash flow from financing activities</b>			
Interest paid		(586,977)	(414,215)
New secured loans		300,884	1,500,000
Repayment of borrowings		(746,011)	(509,885)
<b>Net change in cash and cash equivalents</b>		<b>(334,942)</b>	<b>(710,923)</b>
Cash and cash equivalents at beginning of year		<b>2,491,086</b>	3,202,009
Cash and cash equivalents at end of year		<b>2,156,144</b>	2,491,086
<b>Cash inflow from operating activities</b>			
Surplus for the year		342,847	420,580
Adjustments for non-cash items:			
Depreciation/amortisation charges		302,640	296,617
(Increase)/Decrease in stock		(6,585)	(1,626)
(Increase)/Decrease in trade debtors		(61,915)	57,063
Increase/(Decrease) in trade and other creditors		(93,320)	(39,593)
Pension costs less contributions payable		254,592	(128,804)
Carrying amount of fixed asset disposals		414,462	311,856
Proceeds from sale of fixed assets		(496,965)	(361,450)
Interest payable		681,279	553,799
Interest receivable		(9,550)	(9,542)
Services equalisation account		11,243	10,483
Charge to service provisions		(8,010)	10,159
<b>Net cash inflow from operating activities</b>		<b>1,330,718</b>	<b>1,119,542</b>
<b>Analysis of Cash at 31 March</b>		<b>2019</b>	<b>2018</b>
Investments		501,762	1,000,000
Cash at bank		1,654,382	1,493,910
Bank overdraft		0	(2,824)
		<b>2,156,144</b>	<b>2,491,086</b>

**1. Principal Accounting Policies**

The Financial Statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice for social housing providers 2014 (SORP 2014) and the Scottish Housing Regulator's Determination of Accounting Requirements 2014.

**Basis of Accounting**

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

A summary of the more important accounting policies, which have been applied consistently is set out below:

**Turnover**

Turnover represents rental and service charge income, revenue grants receivable from Scottish Ministers and first tranche sales of low cost home ownership properties.

**Mortgages - Housing Properties**

Mortgage loans are advanced by private lenders under the terms of mortgages secured over the Association's housing properties. A programme funding agreement will be secured with a lender to provide loan facilities for future developments. Advances will be drawn down on this facility only in respect of those developments which have been given approval for Affordable Housing Supply Programme grant (previously Housing Association Grant (HAG)) or other funding by the Scottish Government.

**Housing Association Grant**

For schemes developed under Scottish Government approval, AHSP (previously HAG) is paid directly to the Association as required, to meet its liabilities during the development process. AHSP/ HAG is repayable under certain circumstances, primarily following the sale of property. Although HAG was abolished from 31 March 2011 the Association continued to receive HAG on schemes approved prior to that date.

Grants for capital expenditure are disclosed as deferred income and amortised over the useful lives of the components to which they relate (see below). Grants for revenue expenditure are credited to the Statement of Comprehensive Income as they become receivable.

Grants attributed to individual components are written off to Statement of Comprehensive Income when these components are replaced. Component replacement is not deemed to create a relevant event for repayment or recycling purposes. Upon disposal of the associated property, the Association will be required to repay or recycle the grant, and to reflect this, a contingent liability has been disclosed.

**Tangible Fixed Assets - Housing Properties (Note 10)**

Housing properties are stated at cost. The development costs of housing properties funded with AHSP, traditional HAG or under earlier funding arrangements include the following:

- i) Cost of acquiring land and buildings
- ii) Development expenditure
- iii) Interest charged on the development loan funds drawn to finance construction, up to the date of completion.

**Note 1 (continued)**

Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

**Works to Existing Properties**

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

**Work in Progress/Shared Equity Properties**

New Supply Shared Equity scheme

Grants are received from Scottish Ministers for the construction of properties under the New Supply Shared Equity scheme. Whilst under construction, the cost is recorded within current assets and corresponding grants shown in current liabilities. Once sales are made, the sales proceeds and related cost will be released to the Statement of Comprehensive Income.

Shared Ownership

Properties constructed for shared ownership are part funded by the Scottish Government. Prior to completion and sale, the estimated cost element relating to the first tranche sales is included in current assets as work-in-progress. When the first tranche is sold this cost element is taken to cost of sales within the Statement of Comprehensive Income, along with any adjustment required relating to the actual percentage sold. Income from first tranche sales is included within turnover.

**Depreciation**

No depreciation is charged on housing properties held under shared ownership because it is felt that the residual values of the properties are sufficiently high that any depreciation charged would be immaterial.

The major components of rented housing properties are depreciated over their useful lives as follows:

Kitchens	-	20 years
Windows	-	33 $\frac{1}{3}$ years
Roofs	-	50 years
Structure (new build)	-	100 years
Structure (rehabilitated properties)	-	80 years

Other fixed assets are depreciated as follows:

Furniture & Equipment	-	25% per annum reducing balance method
Fixtures & Fittings	-	25% per annum reducing balance method
Handyman Van	-	25% per annum reducing balance method
Handyman Tools	-	25% per annum reducing balance method
Computers Hardware	-	25% per annum straight line method
Aareon Software	-	5% per annum straight line method
Other Software	-	25% per annum straight line method
Workshop Improvements	-	21% per annum straight line method
Office Buildings	-	1 $\frac{1}{4}$ % per annum straight line method



**Note 1 (continued)**

A full year's depreciation is charged on these assets in the year of purchase and none in the year of disposal.

**Pensions**

The Association is a member of the SHAPS multi-employer defined benefit pension scheme. Although contributions to the defined benefit scheme were discontinued on 31 March 2017, the Association still has a share of the scheme assets and liabilities. As sufficient information about the Association's share of these assets and liabilities became available from 1 April 2018, it is now possible for the Association to disclose its share of the fair value of the scheme's net assets, the present value of its defined benefit liability and its net defined benefit pension liability. From 1 April 2017 the Association only offers membership of the SHAPS defined contribution pension scheme.

**Subsidiary**

The subsidiary OHAL Enterprises CIC is still a dormant company as at 31 March 2019 and accordingly the Association has not prepared consolidated financial accounts.

**2. Particulars of turnover, cost of sales, operating costs and operating surplus or deficit**

	Turnover	Cost of sales	Operating costs	2019 Operating surplus/ (deficit)	2018 Operating surplus/ (deficit)
	£	£	£	£	£
Social lettings (note 3)	4,512,263	0	3,190,939	1,321,324	900,000
Other activities (note 4)	750,165	382,380	372,162	(4,377)	11,243
Total	<u>5,262,428</u>	<u>382,380</u>	<u>3,563,101</u>	<u>1,316,947</u>	<u>911,243</u>
Total for previous period of account	<u>5,087,499</u>	<u>464,076</u>	<u>3,712,180</u>		<u>911,243</u>

for the year ended 31 March 2019

**3. Particulars of turnover, operating costs and operating surplus from social letting activities**

	<b>General Needs</b>	<b>Shared Ownership</b>	<b>Supported Housing</b>	<b>2019 Total</b>	<b>2018 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Rent receivable net of service charges	3,249,491	357,483	40,168	3,647,142	3,371,368
Service charges	156,499	0	1,423	157,922	159,974
<b>Gross income from rents and service charges</b>	<b>3,405,990</b>	<b>357,483</b>	<b>41,591</b>	<b>3,805,064</b>	<b>3,531,342</b>
Less voids	(10,305)	0	(400)	(10,705)	(9,827)
<b>Net income from rents and service charges</b>	<b>3,395,685</b>	<b>357,483</b>	<b>41,191</b>	<b>3,794,359</b>	<b>3,521,515</b>
Grants from Scottish Ministers	18,120	0	1,770	19,890	20,000
Grants released from deferred income	684,702	0	5,264	689,966	710,079
Other grants and miscellaneous income	7,042	935	71	8,048	14,908
<b>Total income from social lettings</b>	<b>4,105,549</b>	<b>358,418</b>	<b>48,296</b>	<b>4,512,263</b>	<b>4,266,502</b>

**Operating costs on social letting activities**

Service costs	156,423	0	1,499	157,922	159,974
Management administration costs	706,227	80,729	4,308	791,264	776,425
Maintenance administration costs	518,741	666	6,081	525,488	476,717
Reactive maintenance costs	421,261	305	5,833	427,399	468,671
Planned and cyclical maintenance costs	294,958	420	2,722	298,100	394,731
Property improvements & adaptations	27,957	839	1,609	30,405	152,891
Bad debts – rents and service charges	11,176	510	25	11,711	7,861
Depreciation of social housing	942,290	0	6,360	948,650	929,232
<b>Total operating costs on social lettings</b>	<b>3,079,033</b>	<b>83,469</b>	<b>28,437</b>	<b>3,190,939</b>	<b>3,366,502</b>

**Operating surplus on social lettings** **1,026,516** **274,949** **19,859** **1,321,324** **900,000**

**Operating surplus on social lettings for previous period of account** **617,873** **261,864** **20,263** **900,000**

4. **Particulars of turnover, operating costs and operating deficit from other activities**

	Grants from Scottish Ministers	Other Income	Total Turnover	Other operating costs	Operating surplus/ (deficit)	Operating surplus/ (deficit) for previous period of account
	£	£	£	£	£	£
Wider role	0	38,223	38,223	41,601	(3,378)	(2,005)
Factoring	0	33,715	33,715	34,292	(577)	(459)
Care and Repair Services	0	288,505	288,505	288,505	0	0
Development and construction of property	0	380,500	380,500	382,380	(1,880)	7,654
Development administration	0	752	752	6,778	(6,026)	(1,027)
Other agency/ management services	0	0	0	109	(109)	(491)
Other activities	0	8,470	8,470	877	7,593	7,571
<b>Total from other activities</b>	<b>0</b>	<b>750,165</b>	<b>750,165</b>	<b>754,542</b>	<b>(4,377)</b>	<b>11,243</b>
<b>Total from other activities for the previous period of account</b>	<b>0</b>	<b>820,997</b>	<b>820,997</b>	<b>809,754</b>	<b>11,243</b>	

5. **Key Management Personnel Emoluments**

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

The key management personnel are defined as (a) the Management Committee, who can only receive expenses and, in certain circumstances, compensation for loss of earnings, and (b) the members of the Association's Leadership Team.

There were no officers with emoluments of £60,000 or more excluding employer's pension contributions during the period of account.

	2019	2018
	£	£
The emoluments of the Chief Executive:		
Excluding pension contributions	43,233	33,638
Employer's Pension contributions	<u>39,999</u>	<u>48,613</u>
Total emoluments payable	<u><b>83,232</b></u>	<u><b>82,251</b></u>

The Association operates a salary sacrifice scheme available to all members of staff.

The Chief Executive is an ordinary member of the pension scheme. No enhanced or special terms apply.

**6. Employee Information**

The average monthly number of persons employed during the year was:

	<b>2019</b>	<b>2018</b>
Office Staff	35	35
Cleaners	1	1
	<u>36</u>	<u>36</u>
Full-time equivalent	<u>33</u>	<u>34</u>

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Staff costs (including directors' emoluments);		
Wages and salaries	963,257	970,209
Social security costs	91,479	90,951
Pension costs (Note 23)	397,980	396,363
Temporary staff	20,442	22,312
	<u>1,473,158</u>	<u>1,479,835</u>

Pension costs in 2018/19 includes £130,602 (2018 - £126,798) lump sum contributions towards past service deficit.

**7. Operating Surplus**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Operating surplus is stated after charging/(crediting):		
Depreciation	1,022,904	1,007,444
Amortisation	(689,966)	(710,079)
Direct repair costs: reactive, planned and cyclical	565,430	714,618
Auditor's remuneration		
- In their capacity as auditors (including expenses)	10,638	11,224
- In their capacity as financial advisers	0	80

**8. Interest and financing costs**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
On loans repayable wholly or partly in more than 5 years	644,614	548,001
Non-utilisation fees	18,360	0
Interest expense on defined benefit pension	15,917	5,798
Administration fees on interest-free loans	2,388	0
	<u>681,279</u>	<u>553,799</u>

9. **Taxation**

The Association was granted charitable status for taxation purposes with effect from 30 May 2001.

10. **Tangible Fixed Assets**

Housing Properties	Completed		Under Construction		
	Rented	SO	Rented	SO	Total
	£	£	£	£	£
<b>Gross Cost</b>					
At 1 April 2018	75,740,545	15,340,855	5,914,772	0	96,996,172
Schemes completed	4,719,341	0	(4,719,341)	0	0
Additions	181,627	11,150	1,390,825	0	1,583,602
Disposals	(96,889)	(526,938)	0	0	(623,827)
<b>At 31 March 2019</b>	<b>80,544,624</b>	<b>14,825,067</b>	<b>2,586,256</b>	<b>0</b>	<b>97,955,947</b>
<b>Depreciation</b>					
At 1 April 2018	10,848,025	0	0	0	10,848,025
Charge for year	948,650	0	0	0	948,650
Adjustment re disposals	(17,061)	0	0	0	(17,061)
<b>At 31 March 2019</b>	<b>11,779,614</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,779,614</b>
<b>Net book value at:</b>					
<b>31 March 2019</b>	<b>68,765,010</b>	<b>14,825,067</b>	<b>2,586,256</b>	<b>0</b>	<b>86,176,333</b>
<b>31 March 2018</b>	<b>64,892,520</b>	<b>15,340,855</b>	<b>5,914,772</b>	<b>0</b>	<b>86,148,147</b>

10. **Tangible Fixed Assets** (continued)

Development administration costs capitalised amounted to £34,773 (2018 - £46,218). Interest costs capitalised amounted to £13,728 (2018 - £8,401).

Total expenditure on works to existing properties amounted to £773,730 during the year (2018 - £910,647), of which £181,627 was capitalised (2018 - £46,355).

	Office Buildings	Office fixtures, fittings, furniture & equipment	Handymen vans and tools etc	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2018	1,208,707	462,422	151,584	1,822,713
Additions	17,593	31,994	4,404	53,991
Disposals	0	(6,486)	(8,376)	(14,862)
<b>At 31 March 2019</b>	<b>1,226,300</b>	<b>487,930</b>	<b>147,612</b>	<b>1,861,842</b>
<b>Depreciation</b>				
At 1 April 2018	97,743	179,605	86,405	363,753
Charge for year	13,132	43,814	17,308	74,254
Adjustment re disposals	0	(4,940)	(6,968)	(11,908)
<b>At 31 March 2019</b>	<b>110,875</b>	<b>218,479</b>	<b>96,745</b>	<b>426,099</b>
<b>Grants</b>				
At 1 April 2018	0	214	1,556	1,770
Amortisation	0	(53)	(93)	(146)
Adjustment re disposals	0	0	(1,184)	(1,184)
<b>At 31 March 2019</b>	<b>0</b>	<b>161</b>	<b>279</b>	<b>440</b>
<b>Net book value</b>				
At 31 March 2019	<b>1,115,425</b>	<b>269,290</b>	<b>50,588</b>	<b>1,435,303</b>
At 31 March 2018	<b>1,110,964</b>	<b>282,603</b>	<b>63,623</b>	<b>1,457,190</b>

11. **Fixed Asset Investments**

	<b>Subsidiary</b>	<b>Shared Equity</b>	<b>Investment Property</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2018	1	1,587,607	200,000	1,787,608
Additions	0	666,142	0	666,142
Disposals	0	(382,380)	0	(382,380)
At 31 March 2019	1	1,871,369	200,000	2,071,370
<b>Grants</b>				
At 1 April 2018	0	1,587,607	0	1,587,607
Additions	0	283,762	0	283,762
At 31 March 2018	0	1,871,369	0	1,871,369
<b>Net book value</b>				
At 31 March 2019	1	0	200,000	200,001
At 31 March 2018	1	0	200,000	200,001

The wholly owned subsidiary OHAL Enterprises CIC was dormant during the year to 31 March 2019.

12. **Investments**

Investments at 31 March 2019 totalled £0.5m (2018 - £1m) comprising one time deposit facility at a fixed rate and maturity after 16 weeks. Investments purchased during the year amounted to £1m (2018 - £1.83m).

13. **Work-in-progress**

	<b>Shared Ownership</b>	<b>Shared Equity etc</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Opening WIP	0	625,268	625,268
Additions	0	40,874	40,874
Disposals	0	(666,142)	(666,142)
	0	0	0

14. **Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Rent arrears	179,085	150,675
Interest receivable	526	5,647
Other grants receivable	0	87,514
Other debtors and prepayments	151,784	118,279
	<u>331,395</u>	<u>362,115</u>

Other debtors are stated net of a provision for bad debts of £4,250 (2018 - £4,250).

15. **Rents**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Gross arrears	195,085	163,675
Provision for bad debts	(16,000)	(13,000)
Net arrears	<u>179,085</u>	<u>150,675</u>

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Rent in advance	28,980	27,088
HAG repayable	107,990	44,948
Bank overdraft	0	2,824
Loan instalments due and payable - housing	588,834	708,866
Capital expenditure	366,212	445,154
Capital grants received in advance	114,106	114,106
Shared equity grants on work in progress	0	257,562
Pension deficit creditor (see Note 29)	0	130,602
Taxation and social security creditor	39,542	32,700
Care and Repair working capital	44,379	79,908
Shared ownership factoring sinking fund	126,543	115,300
Services equalisation account	13,093	21,103
Other creditors and accruals	271,940	392,889
	<u>1,701,619</u>	<u>2,373,050</u>

17. **Creditors: amounts falling due after more than one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Housing loans	<u>18,549,572</u>	<u>18,804,903</u>

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Within one year	588,834	708,866
Between one and two years	637,888	594,670
Between two and five years	2,207,032	2,006,778
In five years or more	<u>15,704,652</u>	<u>16,203,455</u>
	<u>19,138,406</u>	<u>19,513,769</u>



18. **Deferred income – Capital Grants**

Scottish Government Grants	Completed		Under Construction		
	Rented	SO	Rented	SO	Total
	£	£	£		£
At 1 April 2018	53,678,209	10,916,858	4,692,535	0	69,287,602
Schemes completed	2,519,349	0	(2,519,349)	0	0
Additions	0	0	334,704	0	334,704
Disposals	(78,112)	(369,827)	0	0	(447,939)
<b>At 31 March 2019</b>	<b>56,119,446</b>	<b>10,547,031</b>	<b>2,507,890</b>	<b>0</b>	<b>69,174,367</b>
<b>Other Grants</b>					
At 1 April 2018	1,660,150	130,697	0	0	1,790,847
Additions	8,038	2,716	0	0	10,754
Written down	(1,716)	0	0	0	(1,716)
Disposals	0	(3,906)	0	0	(3,906)
<b>At 31 March 2019</b>	<b>1,666,472</b>	<b>129,507</b>	<b>0</b>	<b>0</b>	<b>1,795,979</b>
<b>Amortisation</b>					
At 1 April 2018	8,788,152	0	0	0	8,788,152
Charge for year	689,966	0	0	0	689,966
<b>At 31 March 2019</b>	<b>9,478,118</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,478,118</b>
<b>Net book value at:</b>					
<b>31 March 2019</b>	<b>48,307,800</b>	<b>10,676,538</b>	<b>2,507,890</b>	<b>0</b>	<b>61,492,228</b>
<b>31 March 2018</b>	<b>46,550,207</b>	<b>11,047,555</b>	<b>4,692,535</b>	<b>0</b>	<b>62,290,297</b>

19. **Share Capital**

	2019	2018
	£	£
At 1 April 2018	131	136
Issued in year	10	2
Cancelled in year	(7)	(7)
<b>At 31 March 2019</b>	<b>134</b>	<b>131</b>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distribution 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.

20. **Reconciliation of movement in revenue reserve**

	2019	2018
	£	£
Revenue reserve brought forward	7,464,298	7,043,718
Surplus for the year	342,847	420,580
	<hr/>	<hr/>
Revenue reserve carried forward	7,807,145	7,464,298

21. **Capital commitments**

	2019	2018
	£	£
Capital expenditure which has been contracted for but has not been provided for in the financial statements:	980,764	959,570
	<hr/>	<hr/>
Capital expenditure which has been authorised but not contracted for or provided for in the financial statements:	62,000	172,650
	<hr/>	<hr/>

The amount contracted for at 31 March 2019 will be funded from Scottish Government grant and loan funds.

22. **Contingent Liabilities**

Pension Scheme liabilities

Prior to 1 April 2017 the Association offered employees membership of a defined benefit pension scheme with the SFHA Pension Scheme. (Please see Note 23 for further details of this scheme). The Association has been advised by the Pensions Trust of the estimated employer debt on withdrawal from this scheme based on the financial position of the scheme as at 30 September 2017. As of this date, the estimated employer debt for Orkney Housing Association was £4,673,498 (2018 - £4,673,498).

The Association has no current plans to withdraw from the SHAPS Pension Scheme. It ceased to offer membership of SHAPS defined benefit schemes from 31 March 2017, thereby limiting any future increase in liability. All staff have access to a SHAPS defined contribution scheme from 1 April 2017.

Grants written off

At 31 March 2019, the Association has disposed of components which had received £394,386 (2018 - £314,558) of grant funding. Although the disposal of these components has not given rise to a relevant event for the purposes of repayment or recycling the grant (as the Association retains the property asset), it does have a potential future obligation to repay or recycle such grant once the property is disposed of.

As the timing of any future disposal is uncertain, in accordance with Financial Reporting Standard 12 – Provisions, Contingent Liabilities and Contingent Assets, no provision has been recognised in these financial statements.

**23. Pensions****SHAPS Pension Scheme**

The Association participates in the Scottish Housing Associations' Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2015. This valuation revealed a deficit of £198m. A recovery plan has been put in place to eliminate the deficit which runs to 28 February 2022 for the majority of employers.

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

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

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

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

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

	<b>31 March 2019</b> <b>(£000s)</b>	<b>31 March 2018</b> <b>(£000s)</b>
Fair value of plan assets	4,196	4,576
Present value of defined benefit obligation	4,986	5,259
Surplus (deficit) in plan	(790)	(683)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(790)	(683)

23. **Pensions** (continued)

**Reconciliation of opening and closing balances of the defined benefit obligation**

	<b>Period ended 31 March 2019 (£000s)</b>
Defined benefit obligation at start of period	5,259
Current service cost	-
Expenses	4
Interest expense	125
Contributions by plan participants	-
Actuarial losses (gains) due to scheme experience	65
Actuarial losses (gains) due to changes in demographic assumptions	13
Actuarial losses (gains) due to changes in financial assumptions	314
Benefits paid and expenses	(794)
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	4,986

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

	<b>Period ended 31 March 2019 (£000s)</b>
Fair value of plan assets at start of period	4,576
Interest income	110
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	170
Contributions by the employer	134
Contributions by plan participants	-
Benefits paid and expenses	(794)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	4,196

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2019 was £280,000.

23. **Pensions** (continued)

**Defined benefit costs recognised in Statement of Comprehensive Income (SOCl)**

	<b>Period from 31 March 2018 to 31 March 2019 (£000s)</b>
Current service cost	-
Expenses	4
Net interest expense	15
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCl)	19

**Defined benefit costs recognised in other comprehensive income**

	<b>Period ended 31 March 2019 (£000s)</b>
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	170
Experience gains and losses arising on the plan liabilities - gain (loss)	(65)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(13)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(314)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(222)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in other comprehensive income – gain (loss)	(222)

**Key Assumptions**

	<b>31 March 2019 % per annum</b>	<b>31 March 2018 % per annum</b>
Discount rate	2.33	2.58
Inflation (RPI)	3.28	3.18
Inflation (CPI)	2.28	2.18
Pensionable earnings increases	3.28	3.18

From 1 April 2017 all staff have access to a SHAPS defined contribution pension scheme. Details of standard employee and employer contributions are as follows:

	<b>Employee</b>	<b>Employer</b>
Contribution rate	5%	10%

**24. Legislative Provisions**

The Association is incorporated under the Industrial and Provident Societies Act 1965, registered with the Scottish Housing Regulator and governed by the Housing (Scotland) Act 2010.

**25. Gain on Disposal of Fixed Assets**

	<b>Shared Ownership</b>	<b>Land</b>	<b>Other Assets</b>	<b>Total 2019</b>	<b>Total 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Income	496,250	0	715	496,965	361,450
Legal Expenses	(6,963)	0	0	(6,963)	(3,926)
Cost of Sale	(526,938)	0	(1770)	(528,708)	(435,851)
Grants written off/abated	122,197	0	0	122,197	130,407
Other Costs	(988)	0	0	(988)	(2,486)
Gain/(Loss) on disposal	<b>83,558</b>	<b>0</b>	<b>(1,055)</b>	<b>82,503</b>	49,594

**26. Housing Stock**

The number of units of housing under development and in management at 31 March 2019 was:

	<b>Units under Development</b>		<b>Units in Management</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Housing for Rent: General needs housing	8	28	789	761
Supported housing	-	-	8	8
Communal use	-	-	2	2
	<b>8</b>	<b>28</b>	<b>799</b>	<b>771</b>
Shared Ownership accommodation	-	-	155	161
New Supply Shared Equity	-	4	-	-
Total	<b>8</b>	<b>32</b>	<b>954</b>	<b>932</b>

**27. Subsidiary Information**

Details of the investment in which the Association holds more than 10% of the nominal value of any class of share capital are as follows:

<b>Name of Company</b>	<b>Country of Registration or incorporation</b>	<b>Date of Incorporation</b>	<b>Proportion of Voting Rights</b>	<b>Nature of Business</b>
OHAL Enterprises C.I.C.	United Kingdom	08/02/2012	Wholly Controlled	Dormant since incorporation

**28. Related Parties**

Any tenant who sits on the Management Committee enters into a tenancy on the Association's normal terms and conditions and cannot use this position to his or her advantage. The same position applies to any sharing owner in respect of their exclusive occupancy agreement.

**29. Multi-employer defined benefit pension liability**

There has been a change in the accounting treatment of the Association's defined benefit pension liability. For the first time, The Pensions Trust have been able to quantify individual member's shares in the SHAPS scheme assets and liabilities. This has resulted in the derecognition of the Association's £519,000 deficit funding liability (£130,602 within a year and £388,398 in more than a year) and the recognition of a £682,115 net defined benefit liability at 1 April 2018. The difference of £163,115 is shown in the Statement of Comprehensive Income as at 1 April 2018 in accordance with FRS102.

**30. Analysis of Changes in Net Debt**

	<b>At 31 March 2018 £</b>	<b>Cash Flows £</b>	<b>At 31 March 2019 £</b>
Cash in hand	300	-	300
Short-term investments	1,000,000	(498,238)	501,762
Bank	1,490,786	163,296	1,654,082
Debt due within 1 year	(708,866)	120,032	(588,834)
Debt due after 1 year	(18,804,903)	255,331	(18,549,572)
	<u>(17,022,683)</u>	<u>40,421</u>	<u>(16,982,262)</u>