

Registered Housing Association Number: HCB 277
Charity Registration Number: SC041911
FCA Reference Number: 2420R (S)

RUCHAZIE HOUSING ASSOCIATION LIMITED

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2021

RUCHAZIE HOUSING ASSOCIATION LIMITED

CONTENTS

	Page
The management Committee, Executives and Advisers	1
Report from the Management Committee	2
Report by the Auditor on Corporate Governance Matters	6
Independent Auditor's Report	7
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Cash Flows	12
Statement of Changes in Capital and Reserves	13
Notes to the Financial Statements	14

RUCHAZIE HOUSING ASSOCIATION LIMITED

THE MANAGEMENT COMMITTEE, EXECUTIVES and ADVISERS

For the year ended 31 March 2021

Members of the Management Committee

H Holland	Chairperson
B Tollett	Vice Chairperson
A Macdonald	Secretary
A Galor	Committee Member (resigned 24/09/20)
R Rigley	Committee Member
M Caldwell	Committee Member
I Figacz	Committee Member (resigned 24/09/20)
E McQueen	Committee Member (resigned 28/05/20)
P Uti	Committee Member
T McGuigan	Committee Member (appointed 28/05/20)
D MacKenzie	Committee Member (appointed 22/09/20)
G Bell	Committee Member (appointed 22/09/20)
K Philips	Committee Member (appointed 22/09/20)
K Singh	Co-optee (co-opted 29/04/21, resigned 24/06/21)
W Banks	Appointee (appointment ended 30/09/20)
J Cosgrove	Appointee (appointment ended 30/09/20)

Executive Officers

J Shields	Director
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Statutory Manager

P Rydquist	Appointment ended 30/06/20
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Registered Office

24 Avondale Street
Ruchazie
Glasgow
G33 3QS

External Auditor

Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Internal Auditor

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

Bankers

The Royal Bank of Scotland Plc
Glasgow Parkhead (A) Branch
1304 Duke Street
Glasgow
G31 5PZ

Solicitors

BTO Solicitors LLP
48 St Vincent Street
Glasgow
G2 5HS

Solicitors

TC Young
7 West George St
Glasgow
G2 1BA

RUCHAZIE HOUSING ASSOCIATION LIMITED

REPORT from the MANAGEMENT COMMITTEE

For the year ended 31 March 2021

The Management Committee presents their report and the audited Financial Statements for the year ended 31 March 2021.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No. 1825R (S). The Association is governed under its Rule Book. The Association is a Registered Scottish Charity with the charity number SC041911.

Principal Activities

The principal activities of the Association are

- The provision and management of affordable rented social housing.
- The maintenance and repair of the Associations' properties
- The provision of a factoring service to private tenants

Review of business and future developments

The Scottish Housing Regulator in March 2018, appointed a manager and four appointees to the Management Committee to Ruchazie under Section 56 of the Housing (Scotland) Act 2010. The purpose of this appointment was to address a number of identified risks relating to governance and financial management matters which were highlighted in an independent investigation report. These appointments were also to assist and support the Management Committee in ensuring that the Association's affairs are managed to an appropriate standard. The Association has made significant progress to date and in March 2021 the Scottish Housing Regulator was satisfied that the Association was now fully compliant with Regulatory Standards of Governance and Financial Management.

In June 2020, the Association recruited five new Committee members with a range of skills and experience that strengthened the expertise and depth of the Management Committee.

A successful staff recruitment exercise was undertaken during 2020 and all positions have now been successfully filled.

There is limited land availability in our area of operation for development, however Ruchazie HA are open to exploring any opportunities that are presented for partnership working , developing and building new homes in the area.

Performance

Our performance continues to be strong amongst our peers of similar size and in our immediate location. Benchmarking information provided by Scottish Housing Networks confirms that RHA remains one of the stronger performing organisations in our peer group.

Whilst Covid has presented challenges across the sector, the anticipated reduction in income due to economic circumstances of our tenants was not realised with rent payments remaining steady throughout the year. Gross rent arrears at 3.40% (2020: 3.04%) and net arrears figure (minus technical including Universal Credit payments) at 2.69% (2020: 2.06%).

The availability of contractors and Covid restrictions to working in properties meant an increase in our property costs and re-let times for void homes. Whilst this was to be expected and is consistent

RUCHAZIE HOUSING ASSOCIATION LIMITED

REPORT from the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2021

across the sector, the restrictions contributed to a slightly higher level of void loss at 0.58% (2020: 0.05%).

Tenant Satisfaction results from late 2020 reflects good outcomes for our tenants with 91% tenants satisfied with our services. This survey also included a view of how the Association performed during Covid lockdown in 2020 with 96% of our tenants satisfied with our response during the lockdown period.

Component replacement stalled during the financial year with the Covid restrictions to working in tenant's homes, however the delayed programmes are on course to be completed in 2021/22. Both kitchen and boiler replacements continue to be a priority for the Association.

Covid Response

Since March last year, the Association and its community partners which include Glasgow West of Scotland Forum, EHRA, DTAS, The Ruchazie Pantry and Ruchazie Parish Church have supported residents in our community during the Covid pandemic. By securing funding from various sources we have

- supported food delivery and provision
- supported delivery of the Cash for kids grant funding to 91 families
- Provided financial support for energy costs to over 200 families
- Used our community fund to deliver food vouchers to all of our tenants.
- Supplied 8 iPad's to local primary schools to support effective home schooling

We were able to support the development and opening of a food pantry in Ruchazie which provides customers with access to fresh and ambient foods at a low cost as well as signposting to wrap round services, i.e. welfare advice, consumer advice, school clothing etc. The Pantry has been a successful project for this area and is well used locally and further afield.

We will continue to support our tenants by securing funding where available. As a small organisation, we face many challenges to provide a wider role service and committee made the decision to use funds to support tenants throughout this difficult time and with the support of other community partners and the commitment of staff and tenants we are proud of what we have achieved.

Governance

The Management Committee is responsible for overseeing the strategic direction and providing an overview of the performance of the Association. The Association rules provide for up to 15 Management Committee members.

As at 31st March 2021, there are 11 committee members.

The Scottish Housing Regulator published an updated engagement plan in March 2021 confirming that Ruchazie Housing Association is compliant with the Standards of Governance and Financial Management.

Risk Management

The Management Committee appointed the Edinburgh Risk Management Group to support them in developing a risk register, including key strategic and operational risks. On a quarterly basis, staff review and update the register for presentation to the Audit and Risk Committee with an annual review by the Management Committee.

RUCHAZIE HOUSING ASSOCIATION LIMITED

REPORT from the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2021

The Management Committee are continually reviewing the impact of Covid-19 on our tenants, customers, staff, stock and business generally. The Association has robust business continuity plans in place which allow the business to be managed and impact to be minimised. Regular scenario planning is undertaken to identify risk areas and reviewed to allow the Association to consider the potential immediate impact along with medium and long-term impact.

Financial Review

The Association made a surplus for the year of £103,110 (2020: £247,326). £22,071 was spent on component replacement which has been capitalised.

Turnover of £1,217,566 (2020: £1,431,452) relates to income from the letting of properties at affordable rents. Rent increases in the year were 2.5% (2020: 2.9%).

At 31 March 2021 £1,927,905 (2020: £1,824,791) was held in revenue reserves.

Reserves

The Association needs to have reserves to ensure the organisation can function into the future and meet its future liabilities, including the major repairs and investment needs of its properties. The revenue reserve of £1,927,905 reflects primarily the past investment in housing stock and reserves for future major repairs. The Association has a cash level of £1.028m to support its future plans and operating requirements. The Association reviews its maintenance spending plans regularly and re-assesses them in relation to reserves and cash flows. The Management Committee projects that total reserves at 31 March 2022 are likely to be in the region of £2.1m.

Committee of Management and Executive Officers

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

Auditors

A resolution to appoint auditors will be proposed at the Annual General Meeting.

Statement of Management Committee's Responsibilities

The Co-operative and Community Benefit Societies Act 2014 require 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 surplus or deficit of the Association for that year. 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;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business;
- prepare a state on Internal Financial Control.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the House (Scotland) Act 2010 and the Determination of Accounting Requirements – 2014. They are 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. It is also responsible for ensuring the Association's suppliers are paid promptly.

The Management Committee must, in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Management Committee are aware:

RUCHAZIE HOUSING ASSOCIATION LIMITED

REPORT from the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2021

Statement of Management Committee's Responsibilities (continued)

- there is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Association's auditors are unaware, and
- the Management Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's auditors are aware of that information.

Statement on Internal Financial Control

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

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

It is the 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 misstatement or loss. Key elements of the Association's systems include ensuring that:

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

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2021. No Weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report for the financial statements.

BY ORDER OF THE MANAGEMENT COMMITTEE

A Macdonald
Secretary



03-09-2021

RUCHAZIE HOUSING ASSOCIATION

REPORT by the AUDITOR to the MANAGEMENT COMMITTEE on CORPORATE GOVERNANCE MATTERS

For the year ended 31 March 2021

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

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 4 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes 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 Management Committee and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Management Committee'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 with in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh EH3 6NL

8 September 2021

INDEPENDENT AUDITORS REPORT to the MEMBERS of

RUCHAZIE HOUSING ASSOCIATION LIMITED

For the year ended 31 March 2021

Opinion

We have audited the financial statements of Ruchazie Housing Association Limited (the Association) for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Capital and Reserves the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in 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 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 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 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 AUDITOR'S REPORT to the MEMBERS of
RUCHAZIE HOUSING ASSOCIATION LIMITED (continued)
For the year ended 31 March 2021

Matters on which we are required to report by exception

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

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

Responsibilities of the Management Committee

As explained more fully in the Statement of the Management Committee's Responsibilities set out on page 5, the Management 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We gained an understanding of the legal and regulatory framework applicable to the Association and the industry in which it operates and considered the risk of acts by the Association which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Housing SORP 2018, the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland) Act 2010.

We focused on laws and regulations that could give rise to a material misstatement in the Association's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the members;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

**INDEPENDENT AUDITOR'S REPORT to the MEMBERS of
RUCHAZIE HOUSING ASSOCIATION LIMITED (continued)**

For the year ended 31 March 2021

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

Use of our report

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



Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh EH3 6NL

8 September 2021

RUCHAZIE HOUSING ASSOCIATION LIMITED

STATEMENT of COMPREHENSIVE INCOME

For the year ended 31 March 2021

	Notes	£	2021 £	£	2020 £
Revenue	2		1,346,202		1,453,208
Operating costs	2		(1,017,712)		(1,348,794)
Operating surplus	2, 9		328,490		104,414
Interest receivable and other similar income		1,209		4,159	
Interest payable and other similar charges	7	(36,923)		(52,247)	
Other finance charges	10	-		(6,000)	
			(35,714)		(54,088)
Surplus for the year			292,776		50,326
Other comprehensive income					
Movement on fair value of Commercial Properties	11		26,334		-
Actuarial gains / (losses) in respect of pension scheme	22		(216,000)		197,000
Total comprehensive income			103,110		247,326

The results for the year relate wholly to continuing activities.

The notes on pages 14 to 32 form part of these financial statements.

RUCHAZIE HOUSING ASSOCIATION LIMITED

STATEMENT of FINANCIAL POSTION

As at 31 March 2021

	Notes	£	2021 £	£	2020 £
Non-current assets					
Housing properties – depreciated cost	11(a)		12,405,418		12,763,344
Other tangible fixed assets	11(b)		50,384		17,604
			<u>12,455,802</u>		<u>12,780,948</u>
Current assets					
Debtor	13	48,582		44,564	
Cash at bank and in hand		1,027,713		889,751	
		<u>1,076,295</u>		<u>934,315</u>	
Creditors: amounts falling due within one year	14	(495,557)		(296,025)	
Net current assets			580,738		638,290
Creditors: amounts falling due after more than one year:					
Housing property loans	15		(2,074,875)		(2,406,841)
Provision for liabilities					
Pension – defined benefit liability	22		(172,283)		(10,698)
Deferred income					
Social Housing Grants	17		(8,861,477)		(9,176,908)
			<u>1,927,905</u>		<u>1,824,791</u>
Equity					
Share capital	18		77		73
Revenue reserve	18		1,927,828		1,824,718
			<u>1,927,905</u>		<u>1,824,791</u>

The financial statements were approved by the Management Committee, authorised for issue and signed on its behalf on 03-09- 2021.

 H Holland
Chairperson

 G Bell
Committee Member

 A Macdonald
Secretary

The notes on pages 14 to 32 form part of these financial statements.

RUCHAZIE HOUSING ASSOCIATION LIMITED

STATEMENT of CASH FLOWS

For the year ended 31 March 2021

	Notes	£	2021 £	£	2020 £
Net cash inflow from operating Activities	16		361,385		200,393
Investing activities					
Purchase of other fixed assets		(24,139)		(74,473)	
Net cash outflow from investing activities			(24,139)		(74,473)
Net cash inflow before financing			337,246		125,920
Financing activities					
Issue of ordinary share capital		7		10	
Interest received		1,209		4,159	
Interest paid		(36,923)		(52,247)	
Loan principal repayments		(163,577)		(159,148)	
Net cash outflow from financing			(199,284)		(207,226)
Increase/(Decrease) in cash			137,962		(81,306)
Opening cash and cash equivalents			889,751		971,057
Closing cash and cash equivalents			1,027,713		889,751

Analysis of Changes in Net Debt

	2020	Cash flows	Non-cash changes	2021
	£	£	Finance leases £	Other changes £
Long-term borrowings	(2,406,841)	-	-	331,966
Short-term borrowings	(159,148)	163,577	-	(331,966)
Total liabilities	(2,565,989)	163,577	-	-
Cash and cash equivalents	889,751	137,962	-	-
Total net debt	(1,676,238)	301,539	-	-

RUCHAZIE HOUSING ASSOCIATION LIMITED

STATEMENT of CHANGES in CAPITAL and RESERVES

For the year ended 31 March 2021

	Share Capital £	Revenue Reserve £	Total £
Balance as at 1 April 2020	73	1,824,718	1,824,791
Issue of shares	7	-	7
Cancelled shares	(3)	-	(3)
Surplus for year	-	103,110	103,110
	-----	-----	-----
Balance as at 31 March 2021	77	1,927,828	1,927,905
	=====	=====	=====

	Share Capital £	Revenue Reserve £	Total £
Balance as at 1 April 2019	63	1,577,392	1,577,455
Issue of shares	10	-	10
Cancelled shares	-	-	-
Surplus for year	-	247,326	247,326
	-----	-----	-----
Balance as at 31 March 2020	73	1,824,718	1,824,791
	=====	=====	=====

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. Principal Accounting Policies

Legal Status

The Association is incorporated under the Co-operative and Community Benefits Societies Act 2014 and is registered by the Financial Conduct Authority. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

Basis of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice – Accounting by Registered Social Landlords 2018, and on the historical cost basis. They also comply with the requirements of the Determination of Housing Requirements 2015 as issued by the Scottish Housing Regulator.

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

The following principal account policies have been applied:

Going concern

The Management Committee anticipate that a surplus will be generated in the year to 31 March 2022. The Association has a healthy cash and net current asset position and thus the Management Committee are satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus, the Management Committee continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue

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

Government Grants are released to income over the expected useful life of the asset to which it relates.

Retirement Benefits

The Association moved to the SHAPS defined contribution scheme on leaving the defined benefit scheme on 1st September 2020. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

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

The Association accounts for the pension scheme on a defined benefit basis based on its share of scheme assets and liabilities as determined by the actuary. Defined benefit costs are recognised in the Statement of Comprehensive Income within operating costs. Actuarial gains and losses are recognised in Other Comprehensive Income.

Historically the scheme was accounted for as a defined contribution scheme as there was insufficient information for each social landlord's share of SHAPS to allow for defined benefit accounting. The liability previously recognised for the present value of the social landlord's deficit funding agreement has been derecognised. The difference between the deficit funding agreement liability social landlords historically recognised for SHAPS, and the net DB deficit for SHAPS, has been recognised in other comprehensive income (OCI).

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. Principal Accounting Policies (continued)

Further details of the scheme and its assumptions are included at note 22.

Valuation of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 11. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

Component	Useful Economic Life
Central Heating	15 years straight line
Kitchens	18 years straight line
Door Entry Systems & Renewables	20 years straight line
Bathrooms, Windows, Radiators, Rewiring & Rainwater Goods	30 years straight line
Doors (internal and external)	30-45 years straight line
External Render, Roof Coverings & Structure	50 years straight line

Depreciation and Impairment of Other Non-Current Assets

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

Office Premises	10% reducing balance
Office Furniture and Equipment	33% straight line

A full year's depreciation is charged in the year of purchase. No charge is made in the year of disposal. The carrying value of non-current assets is reviewed for impairment at the end of each reporting year.

Commercial Properties

The commercial properties are carried at fair value determined by external valuers and derived from the current market rents and commercial property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

Social Housing Grant and Other Grants in Advance/Arrears

Social Housing Grants and Other Capital Grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which it relates.

Social Housing Grant attributed to individual components is written off to the Income and Expenditure Account when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account in the same year as the expenditure to which it relates.

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. Principal Accounting Policies (continued)

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

Estimation Uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Committee to exercise judgement in applying the Association's Accounting Policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, is disclosed below:

Rent Arrears – Bad Debt Provision

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

Life Cycle of Components

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

Useful Lives of Other Fixed Assets

The useful lives of other fixed assets are based on the knowledge of senior management at the Association with reference to expected asset lifecycles.

Pension Liabilities

This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate.

Leases/Leased Assets

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

Works to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

Development Interest

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme.

Key Judgements made in the Application of Accounting Policies

(a) The Categorisation of Housing Properties

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

(b) Identification of Cash Generating Units

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

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. Principal Accounting Policies (continued)

(c) Pension Liability

In May 2021 the Association received details from the Pension Trust of its share of assets, liabilities and scheme deficit. The Association has used this information as the basis of the pension defined benefit liability as disclosed in the financial statements. The Management Committee consider this is the best estimate of their scheme liability.

Financial Instruments - Basic

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

These are recognised in accordance with Section 11 of Financial Reporting Standard 102.

The Association's debt instruments are measured at amortised cost using the effective interest rate method

NOTES to the FINANCIAL STATEMENTS

2. Particulars of Revenue, Cost of Sales, Operating Costs and Operating Surplus

18

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

3. Particulars of Income and Expenditure from Social Lettings

	General Needs Housing 2021 Total £	General Needs Housing 2020 Total £
Revenue from lettings		
Rent receivable net of identifiable service charges	903,761	881,843
Service charges receivable	3,795	4,159
	-----	-----
Gross rents receivable	907,556	886,002
Less: Rent losses/write backs from voids	(5,239)	(413)
	-----	-----
Net rents receivable	902,317	885,589
Amortisation of Social Housing and Other Grants	315,249	545,863
	-----	-----
Total income from social letting	1,217,566	1431,452
	-----	-----
Expenditure on social letting activities		
Management and maintenance administration costs	342,178	460,310
Planned and cyclical maintenance including major repairs	75,289	91,447
Reactive maintenance	80,094	79,105
Community engagement costs	712	4,607
Bad debts – rents and services charges	5,104	1,399
Depreciation of social housing	379,812	692,106
	-----	-----
Operating costs of social housing	883,189	1,328,974
	-----	-----
Operating surplus on social letting activities	334,377	102,478
	=====	=====

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

4. Particulars of Income and Expenditure from Other Activities

	Grants from Scottish Ministers £	Other Revenue grants £	Supporting People income £	Other income £	Total turnover £	Operating costs - bad debts £	Operating costs - other £	Operating surplus/ (deficit) 2021 £	Operating surplus (deficit) 2020 £
Wider Role	-	65,617	-	-	65,617	-	(65,617)	-	-
Stage 3 applications	-	17,591	-	-	17,591	-	(15,992)	1,599	1,291
Recharges	-	-	-	2,387	2,387	(2,367)	(1,147)	(1,127)	-
Development funding	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	645	645	-	(283)	362	495
Support activities	-	27,631	14,765	-	42,396	-	(49,117)	(6,721)	-
Other income/(expenditure)	-	-	-	-	-	-	-	-	150
Total from other activities	-	110,839	14,765	3,032	128,636	(2,367)	(132,156)	(5,887)	1,936
Total from other activities for 2020	-	19,561	1,550	645	21,756	-	(19,820)	1,936	

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

5. Committee Member and Officers Emoluments

The officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association. The Association considers key management personnel to be members of the Management Committee and the Director. No emoluments were paid to any member of the management committee during the year (2020: £nil).

	2021	2020
	£	£
Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions)	-	-
Total emoluments paid to key management personnel	36,661	40,901
Employer NI in respect of key management personnel	3,847	4,454
Pension contributions in respect of key management personnel	9,913	5,153
Total emoluments paid to key management personnel	=====	=====

Total number of officers including the highest paid officer, who received Emoluments (excluding pension contributions) over £60,000 is Nil.

No payments (2020: £490) were made to management committee members during the year for reimbursement of expenses.

6. Employee Information

	2021	2020
	£	£
Staff costs during the year:		
Wages and salaries	147,960	146,097
Social Security costs	10,829	11,182
Pension costs	28,389	19,520
	=====	=====
	187,178	176,799
	=====	=====

During the year, past service deficit contributions of £53,265 (2020: £49,788) were paid. Pension scheme management costs of £1,776 (2020: £1,496) and defined contribution life assurance premiums of £231 (2020: nil) are included in pension costs above.

	No.	No.
The average number of full-time equivalent persons employed during the year was	4	4
	=====	=====

7. Interest payable and similar charges

	2021	2020
	£	£
Bank loans and overdrafts	36,923	52,247
	=====	=====

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

8. Operating Surplus for the year	2021	2020
	£	£
Surplus is stated after charging:		
Depreciation of tangible owned fixed assets	375,434	694,062
Auditor's remuneration – audit services (exc VAT)	7,250	7,500
– other services (exc VAT)	1,050	-
Internal Auditor's fees (exc VAT)	2,330	2,337
Operating lease rentals –		
Land and buildings	-	-
Other	1,019	1,019
Gain/(Loss) on disposal of fixed assets	(3)	136
Amortisation of capital grants	(315,249)	(545,863)
	=====	=====

9. Tax on Surplus on Ordinary Activities

The Association is a Registered Scottish Charity and is exempt from Corporation Tax on its charitable activities.

10. Other Finance Income/Charges	2021	2020
	£	£
Defined benefit pension interest expense	-	6,000
	=====	=====

11. Non-current assets	Housing Properties Held for Letting
	£
(a) Housing properties	
Cost	
At start of year	19,486,420
Additions	22,071
Disposals	(26,352)
At end of year	19,482,139
Depreciation	
At start of year	6,723,076
Charged during year	379,812
Eliminated on disposal	(26,167)
At end of year	7,076,721
Net book value	
At end of year	12,405,418
At start of year	12,763,344

Additions to housing properties includes capitalised component replacement costs to existing properties of £22,071 (2020: £74,473). All land and housing properties are heritable.

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Commercial Properties £	Office Premises £	Office Furniture & Equipment £	Total £
11. Non-current assets				
(b) Other tangible assets				
Cost				
At start of year	-	54,341	27,145	81,486
Additions	-	-	-	-
Transfers	7,666	(7,666)	2,068	2,068
Revaluations	26,334	-	-	26,334
Disposals	-	-	-	-
	-----	-----	-----	-----
At end of year	34,000	46,675	29,213	109,888
	-----	-----	-----	-----
Depreciation				
At start of year	-	36,737	27,145	63,882
Charged during year	(6,734)	1,667	689	(4,378)
Transfer	6,734	(6,734)	-	-
Disposals	-	-	-	-
	-----	-----	-----	-----
At end of year	-	31,670	27,834	59,504
	-----	-----	-----	-----
Net book value				
At end of year	34,000	15,005	1,379	50,384
	=====	=====	=====	=====
At start of year	-	17,604	-	17,604
	=====	=====	=====	=====

The commercial property (1 shop unit) was revalued by DVS Property Specialists arm of the Valuation Office Agency (VOA) at 10th March 2020 on a market basis. The Management Committee consider this to be the fair value at 31st March 2021.

12. Commitments Under Operating Leases

	2021 £	2020 £
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:		
Not later than one year	1,019	1,091
Later than one year and not later than five years	372	1,205
	-----	-----
	1,391	2,224
	=====	=====

13. Debtors

	2021 £	2020 £
Arrears of rent and service charges	30,679	26,884
<u>Less:</u> Provision for doubtful debts	(16,577)	(11,476)
	-----	-----
	14,102	15,411
Other Receivables	16,341	13,927
Prepayments and accrued income	18,139	15,226
	-----	-----
	48,582	44,564
	=====	=====

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

14. Creditors: amounts falling due within one year	2021	2020
	£	£
Bank loans and overdrafts	327,537	159,148
Trade payable	25,834	12,648
Rent in advance	44,821	34,817
Other taxation and Social Security	3,571	3,431
Other payables	42,282	43,701
Accruals and deferred income	51,512	42,280
	-----	-----
	495,557	296,025
	=====	=====

15. Creditors: amounts falling due after one year	2021	2020
	£	£
Housing loans	2,074,875	2,406,841
	=====	=====

The Association has a number of long term housing loans, the terms and conditions of which are as follows:

The Association has a number of long term housing loans secured by specific charges on the Association's housing properties. These loans are due for repayment in instalments as detailed below at rates of interest varying from 0.48% to 2.26%.

All of the Association's bank borrowing are repayable on a monthly/quarterly basis with the principal being amortised over the term of the loans.

	2021	2020
	£	£
Amounts due within one year	327,537	159,148
Amounts due in one year or more but less than two years	126,617	327,105
Amounts due in two years or more but less than five years	906,852	372,560
Amounts due in more than five years	1,041,406	1,707,176
	-----	-----
	2,402,412	2,565,989
	-----	-----
Less: amounts shown in current liabilities	327,537	159,148
	-----	-----
	2,074,875	2,406,841
	=====	=====

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

16. Statement of Cash Flows

	2021	2020
	£	£
Reconciliation of operating surplus to balance as at 31 March 2021		
Operating surplus	328,490	104,414
Depreciation	375,434	694,062
Amortisation of Capital Grants	(315,249)	(545,863)
Loss / (Gain) on assets scrapped	3	(136)
Change in debtors	(4,018)	(4,346)
Change in creditors	31,143	(3,436)
Movement in pension liability	(54,415)	(44,302)
Cancelled shares	(3)	-
	-----	-----
Balance as at 31 March 2021	361,385	200,393
	=====	=====

17. Deferred Income

	2021	2020
	£	£
Social Housing Grants		
Balance as at 1 April 2020	9,176,908	9,723,571
Released as the result of property disposal	(182)	(800)
Amortisation in year	(315,249)	(545,863)
	-----	-----
Balance as at 31 March 2021	8,861,477	9,176,908
	=====	=====
Total deferred grants	8,861,477	9,176,908
	=====	=====

This is expected to be released to the Statement of Comprehensive income as follows:

Amounts due within one year	315,271	305,696
Amounts due in one year or more	8,546,206	8,871,212
	-----	-----
	8,861,477	9,176,908
	=====	=====

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

18. Reserves	2021	2020
	£	£
Share capital		
<u>Shares of £1 issued and fully paid</u>		
At 1 April 2020	73	63
Issued in year	7	10
Cancelled in year	(3)	-
At 31 March 2021	77	73

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

Reserves	2021	2020
	£	£
At 1 April 2020	1,824,718	1,577,392
Surplus for year	103,110	247,326
At 31 March 2021	1,927,828	1,824,718

19. Housing Stock	2021	2020
	£	£
The number of units of accommodation in management at the year-end was:		
General needs – new build	201	201
General needs – improved	24	24
General needs – commercial	1	1
	226	226

20. Related Party Transactions

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 102. The related party relationships of the members of the Management Committee are summarised as:

- Members are tenants of the Association
- Members are factored owners
- Management Committee members cannot use their position to their advantage. Any transactions between the Association and any entity with which a Management Committee member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Management Committee members were as follows:

- Rent received from tenants on the Committee - £11,815 (2020: £18,829).
- At the year-end total rent arrears owed by the tenant members of the Committee were - £106 (2020: £242).

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

21. Details of Association

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

The Association's principal place of business is 24 Avondale Street, Ruchazie, Glasgow G33 3QS.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing in Glasgow.

22. Retirement Benefit Obligations

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

The Association moved to a defined contribution scheme on 1st September 2020 but has a net liability for the past service deficit in the defined benefit scheme.

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 either 30 September 2022 or 31 March 2023 (depending on funding levels) for the majority of employers, although certain employers have different arrangements.

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

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

For financial years ending on or after 31 March 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 1 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.

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

22. Retirement Benefit Obligations (continued)

	2021	2020
	£	£
As at 1 April 2020	10,698	246,000
Current service cost	6,000	18,000
Net interest expense	-	6,000
Expenses	1,776	1,496
Contributions by employer	(62,191)	(63,798)
Impact of change in assumptions	216,000	(197,000)
	-----	-----
As at 31 March 2021	172,283	10,698
	=====	=====

The Association has past service deficit commitments to pay £54,862 during the year ended 31 March 2022.

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

	2021	2020
	£'000s	£'000s
Fair value of plan assets	1,475	1,291
Present value of defined benefit obligation	1,647	1,301
Surplus/(deficit) in plan	(172)	(10)
Unrecognised surplus	-	-
Defined benefit asset/(liability) to be recognised	(172)	(10)
Deferred tax	-	-
Net defined benefit asset/(liability) to be recognised	-	-
	=====	=====

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

22. Retirement Benefit Obligations (continued)

Reconciliation of opening and closing balances of the defined benefit obligation

	Period ended 31 March 2021 £'000s
Defined benefit obligation at start of period	1,301
Current service cost	6
Expenses	2
Interest expense	31
Contributions by plan participants	7
Actuarial losses/(gains) due to scheme experience	25
Actuarial losses/(gains) due to changes in demographic assumptions	-
Actuarial losses/(gains) due to changes in financial assumptions	308
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	1,647
	=====

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

	Period ended 31 March 2021 £'000s
Fair value of plan assets at start of period	1,291
Interest income	31
Experience on plan assets (excluding amounts included in interest income)	117
- gain/(loss)	-
Contributions by the employer	62
Contributions by plan participants	7
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	1,475
	=====

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

22. Retirement Benefit Obligations (continued)

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

	Period ended 31 March 2021 £'000s
Current service cost	6
Expenses	2
Net interest expense	-
Losses/(gains) on business combination	-
Losses/(gains) on settlements	-
Losses/(gains) on curtailments	-
Losses/(gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCl)	8
	=====

Defined benefit costs recognised in other comprehensive income

	Period ended 31 March 2021 £'000s
Experience on plan assets (excluding amounts include din net interest costs) – gain/(loss)	117
Experience gains and losses arising on the plan liabilities – gain/(loss)	(25)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/(loss)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations – gain/(loss)	(308)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain/(loss)	(216)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain/(loss)	-
Total amount recognises in other comprehensive income – gain/(loss)	(216)
	=====

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

22. Retirement Benefit Obligations (continued)

Assets	2021 £'000s	2020 £'000s
Global Equity	228	177
Absolute Return	73	79
Distressed Opportunities	50	24
Credit Relative Value	43	31
Alternative Risk Premia	59	103
Fund of Hedge Funds	-	-
Emerging Markets Debt	59	46
Risk Sharing	53	41
Insurance-linked Securities	31	35
Property	26	24
Infrastructure	82	76
Private Debt	35	26
Opportunistic Liquid Credit	38	31
High Yield	39	-
Opportunistic Credit	40	-
Cash	1	-
Corporate Bond Fund	111	94
Liquid Credit	25	34
Long Lease Property	34	32
Secured income	81	72
Over 15 Year Gilts	1	16
Index Linked All Stock Gilts	-	-
Liability Driven Investment	355	340
Net Current Assets	11	10
Total Assets	1,475	1,291
	=====	=====

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.

Key assumptions	2021 % per annum	2020 % per annum
Discount Rate	2.18	2.37
Inflation (RPI)	3.27	2.60
Inflation (CPI)	2.87	1.60
Salary growth	3.87	2.60
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance
	=====	=====

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

22. Retirement Benefit Obligations (continued)

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

	Life expectancy at age 65 (years)
Male retiring in 2021	21.5
Female retiring in 2021	23.4
Male retiring in 2041	22.8
Female retiring in 2041	25.0
	=====

23. Capital commitments

	2021 £	2020 £
Expenditure contracted but not provided for in accounts	-	-
	=====	=====