

**SHETTLESTON HOUSING ASSOCIATION LIMITED
GROUP ACCOUNTS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

SHETTLESTON HOUSING ASSOCIATION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Members, Executive Officers and Advisers

Management Committee

Lesley Scoffield	Chairperson
John Morrison	Vice Chairperson
Christine Thomson	Secretary
Gillian Johnston	
Grace Barbour	
Isabella Barnes	Joined 22 September 2020
Elizabeth Battersby	Joined 22 September 2020
Jennifer Kiernan	Joined 22 September 2020
Chloe Park	Co-opted 6 October 2020
Edward Robertson	Resigned 19 January 2021
Rudi Goodlad	Co-opted 6 October 2020, Resigned 26 November 2020
Derek McFarlane	Resigned 4 November 2020
Margaret Russell	Resigned 18 August 2020
Sean Connor	Co-optee 12 May 2020- 22 September 2020 then re-co-opted 6 October 2020

Executive Officers

Tony Teasdale	Chief Executive Officer
Fiona Nicholl	Director of Finance & Corporate Services
Anne McAlpine	Director of Customer & Community Services
Collette McKenna	Director of Property Services

Registered Office

65 Pettigrew Street
Helen McGregor House
Glasgow
G32 7XR

Auditor

Azets Audit Services
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Bankers

Royal Bank of Scotland
1304 Duke Street
Glasgow
G31 5PZ

Solicitors

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

Brodies

110 Queen Street
Glasgow
G2 1BA

Shepherd & Wedderburn LLP

1 West Regent Street
Glasgow
G2 1RW

BTO

48 St Vincent Street
Glasgow
G2 5HS

Internal auditor

Wylie + Bissett LLP
168 Bath Street
Glasgow
G2 4TP

SHETTLESTON HOUSING ASSOCIATION LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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Registration information

Financial Conduct Authority

Co-operative and Community Benefit Societies
Act 2014
Registered number SP1884RS

The Scottish Housing Regulator

Housing (Scotland) Act 2010
Registered number 183

Scottish Charity Number

SC036687

SHETTLESTON HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The Management Committee presents its Report (incorporating the Strategic Report) and audited financial statements for the year ended 31 March 2021.

Principal Activity

The principal activity of the Group is the provision of social rented accommodation, the provision of estate caretaking services, the provision of a repairs and maintenance service and the acquisition and letting of properties at market and mid-market rents.

Review of the Business and Future Developments

During 2020/21 the Group adopted the following strategic objectives:

1. To achieve excellent standards of governance and risk management.
2. To deliver high quality and value for money services.
3. To effectively manage our resources to protect our assets and deliver the best possible outcomes for quality affordable homes in the area.
4. To combat poverty and facilitate the ongoing regeneration of the local communities.
5. To develop our volunteer Committee and staff members to fulfil their potential.

The Strategic Objectives outlined above are translated into practical tasks with timescales and targets with named individuals taking ownership of delivery and is incorporated into the Summary Delivery Plan along with our Key Performance Indicators (KPIs).

Progress against the Summary Delivery Plan and KPIs was reported to Committee.

Governance and corporate

The coronavirus pandemic that emerged at the end of 2019/20 posed new challenges and caused severe disruption to our activities, services and planned progress during the year.

The Association was however able to respond and adapt effectively in order to sustain key operations. We were able to deliver at least essential services throughout the year whilst also introducing some new services to meet needs in the community that had been made even more pressing by the pandemic. Our investment programme was impacted but we were able to continue with important works on existing and new homes. We were also able to meet compliance and funder requirements.

Whilst overall progress against our Business Plan was somewhat restricted we were able to take some very important steps forward in key areas: to secure and improve our loan facility with RBS and to carry out our deferred review of the staff structure. As a result, whilst it will take some time to fully recover from the pandemic and return to normal operations, the Association ended the year in a stronger position, overall, than it had been at the start of 2020/21.

SHETTLESTON HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The Main Achievements of 2020/21

By switching quickly to “virtual” meetings (helped by our recent move to electronic board reporting) our Management Committee was able to continue to meet throughout the year. 14 full meetings of the Committee took place with an average attendance of 88% demonstrating the real commitment of our Members. With sub-committees and working group meetings also taking place for most of the year the Committee was able to continue to exercise effective governance.

This was far from ideal however – particularly during a time of significant change on Committee. A year on, some Members have still to physically meet each other and are looking forward to resuming normal meetings at the earliest opportunity.

The Committee again carried out its annual self-appraisal, with independent support, in quarter one, and this reinforced the need to recruit additional Committee Members as a priority. This became more pressing with some further resignations in the first half of the year and remains something of an issue going forward. We were however able to successfully recruit five new Committee Members by the mid-year point, bringing new skills and experience to the Committee and also significantly lowering the average age.

Our AGM was also held virtually. It was quorate, with a number of members provided with assistance to participate. The AGM marked the retirement of Gillian Johnston as Chair after five successful years in post during what had been a period of significant change for the Association.

The transition to a new Chair, in accordance with an agreed succession plan, was completed with the election of Lesley Scoffield, formerly the vice -Chair.

The Committee kept under review the Association’s compliance with Regulatory standards, agreed an updated Improvement Action Plan and submitted the Association’s Annual Assurance Statement to the SHR in November. The Association was subsequently designated as “compliant” under the new system of categorisation by SHR.

Other important progress during the year included:

- The re-tendering of internal audit services with Wylie + Bisset appointed as our new internal auditors. Reviews were carried out of both our GDPR compliance and Factoring services and a new three year audit plan was agreed.
- Ongoing compliance with the new Freedom of Information requirements introduced the previous year.
- Improved cyber security and GDPR compliance and delivered training to staff to raise awareness of security issues. However, as identified by the internal audit report, significant further improvement are required in certain areas.
- Approval of new Business Plans for our subsidiary organisations – Upkeep and East End HDC.
- Continued improvements in arrangements for monitoring, reporting and action planning to ensure compliance with health and safety requirements within the Association and our subsidiary Upkeep, with Covid providing particular new challenges in this regard.

SHETTLESTON HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

Financial Position

During the year the Association made a surplus of £1,387,378 and its net assets position was £7,147,041 at the 31 March 2021.

The pandemic resulted in some cost savings particularly around the running costs of the office however we did see an increase in our void rent loss and our voids maintenance spend was higher than expected. We do continue to review our costs in a bid to make further savings. The Association made use of the Governments furlough scheme and claimed £206,236 during the financial year.

We made further progress with our rent harmonisation exercise in our bid towards setting comparable rents and to improve transparency and fairness in rent setting. In our second year of reviewing this the Committee again approved a range of rents increases from 1 April 2021 with the majority of tenants having a rent increase of 1.4% but others, current paying lower than the average rent, increases of up to 4.4%.

Other financial management achievements included:

- All statutory compliance requirements were met on time; and
- The loan covenants were met at the end of the financial year.

Investment

Our investment plans were somewhat disrupted during the year however we were still able to make significant progress.

In 2020/21 over £3.6million was invested in the Association's existing housing stock in covering all aspects of maintenance, however this included £1.86 million on planned capital projects including the following:

- Replaced windows in 30 homes
- Installed 150 boilers
- Installed 28 new kitchens
- Replaced 45 bathrooms / part bathroom replacements
- Re-wired almost 50 homes
- Re-modelled 20 kitchens to meet SHQS standards
- Replaced defective cladding on 27 homes
- Improved insulation levels in 20 homes to bring them up to EESSH standard
- Replaced stair lighting in 20 closes
- Installed new smoke, heat and carbon monoxide detectors in 16 homes

We also carried out medical adaptations to 29 homes at a cost of £89,642 and grant funding of £49,180 was received to assist with this.

We were also able to make progress with our new build development programme. Work continued with the much delayed Fenella Street project. We took handover of 14 social rent and 8 mid-market rent flats in this project. Having had to appoint a new contractor to complete works at the final block of 12 flats in this development, the project was very close to completion by the year end.

We secured detailed Planning consent for our 44 home new development at the site of the former St Mark's primary school and appointed a design and build contractor to take this project forward.

We also bought back another two homes from sharing owners during the year.

SHETTLESTON HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

Operations and Services

Our office was closed to the public throughout the whole year of 2020/21 and our ICT team rose to the challenge and we were able to very quickly switch to home-working for all staff, with only limited use made of the office during the year.

There was still a need to carry out significant work on an ongoing basis to ensure that health and safety risks were assessed and working arrangements and the office made as Covid –secure as possible. We surveyed the views of our staff on their experience of home working and strived to ensure that all were provided with appropriate support throughout. Plans for a safe return to and opening of the office were prepared but have only been partially activated.

In the early months of the first lockdown, with many staff unable to fully carry out their jobs and income streams under pressure, we made extensive use of the UK Government's Job Retention Scheme.

Despite all of the above, key operations and essential services at least were maintained throughout the year. This required staff to adapt to new and some innovative ways of working and we relied on members of our front-line staff team and contractors being willing and able to continue to deliver repairs and other essential tasks in the community. We also benefitted greatly from the fact that, through the caretaking staff of our subsidiary, Upkeep, we were able to not only continue to keep closes, backcourts and common areas clean and well maintained throughout the year, we were also able to introduce a new bulk refuse removal service when the Council withdrew its service.

As with all RSLs, we faced significant challenges during the year with a build-up of void properties and a very significant increase in rent arrears as tenants incomes came under pressure in the first lockdown. We also saw an increased incidence in neighbour nuisance and anti-social behaviour during the year.

Inevitably performance figures suffered and the year end results indicate a significant drop in some KPIs compared with 2019/20 and the main one affected was the void rent loss where the total void rent loss increased from 0.9% of rental income to 1.99%.

We initially entered into a leasing agreement with the Homelessness team to be able to get some voids occupied and then began to directly let again using modified, more Covid-secure, means of letting. We responded to the emerging homelessness crisis in the city by agreeing to increase the number of let's being made to referrals of statutorily homeless households to 60% of all lets net of transfers.

There was a significant reduction in the overall amount of reactive repairs activity, due in part to the restrictions but also to the fact that some tenants were anxious about allowing access to their homes. However average response times for emergency (2.09 hours) and non-emergency (4.12 days) repairs that were carried out compared well with the previous year.

For reasons of non-access we were unable to carry out annual gas safety inspections to 21 properties within the required 12 month: normally we achieve 100% success.

As the period of restricted services continued we commissioned an independent telephone survey of our tenants at the end of 2020 to gauge tenants' various views about our services during Covid. A representative sample of 20% of tenants (455 households) was interviewed and we were pleased that the results indicated continuing high levels of satisfaction with our services despite the restrictions. 91% said they were satisfied overall with our services. However some areas for improvement were identified and subsequently actioned.

SHETTLESTON HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

Wider Role

The Covid crisis created new needs for our tenants and the wider community and the Association was able to respond in a number of different ways to provide support. This was often in collaboration with other local RSLs and community bodies.

In conjunction with Parkhead HA and Tollcross HA we successfully applied for *Supporting Communities Grant* from the Scottish Government to support and develop local initiatives to address food poverty in light of Covid 19. Through this we were able to:

- ✓ Get emergency food parcels (sourced from local voluntary organisation FARE) on a regular basis to around 150 tenant households in priority need in the critical early Covid period, with deliveries made by Upkeep staff.
- ✓ Establish a pop-up Food Pantry outlet in our vacant shop premises at 981 Shettleston Road. This was extremely successful and longer-term (3 year) funding was then successfully sourced from the Big Lottery. The project, which is an outlet of the main Pantry, run on a day to day basis on behalf of Parkhead HA by Unity Enterprise, continues to thrive and develop.

During the year we were entered into an agreement with Shettleston Foodbank for use of our vacant South Vesalius Street shop unit.

We were able to conclude organisational arrangements for the Tollcross/Shettleston Money Advice project with our partners, Tollcross HA and Tollcross Advice Centre. As part of this our existing Money Adviser TUPE transferred into the employment of the project. This helped ensure the continuing availability of quality money and debt advice to our tenants and other local residents during a period when many have faced increased hardship.

Our bid to the Glasgow Communities Fund to employ a digital inclusion worker for three years was unsuccessful but we did receive, in the autumn, a much smaller award to deliver a reduced service for the remainder of 2020/21 only. FUSE Youth café were selected as our local partner to deliver our *Shettleston Does Digital Project*, part-time, from our shop premises at 981 Shettleston Road. With the second lockdown the service had to be temporarily delivered remotely (on the phone/on-line) but continued to provide a much needed service. Additional funding was sourced from the Scottish Government's *Communities Recovery Fund* to enable the project to be extended for some time into 2021/22.

We also successfully bid, in collaboration with PHA and THA, for GCC's *Addressing Future Need Fund*, through which a 15 week project will be operated by east end based Urban Fox to provide emotional health and wellbeing support for local residents through pop-up sports, play and arts activities.

A review of the Association's wider role priorities was carried out by a short-life working group comprising Committee Members and staff from both SHA and Upkeep. One of the main priorities going forward is employability support.

The review also re-iterated the Association's commitment to be a "community anchor" and the Committee has agreed that we will continue to closely liaise with and provide support to local partner organisations including Shettleston Community Growing Project (SCGP), Shettleston Men's Shed and FUSE Youth café as well as the Community Connectors project run in conjunction with GCVS.

Related Party Transactions

Some members of the Management Committee are tenants. Their tenancies are on the Association's normal tenancy terms and they cannot use their positions to their advantage. Transactions with the Management Committee are included in Note 28.

SHETTLESTON HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

Statement on Internal Financial Control

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

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

It is the 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:

- (a) 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;
- (b) Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- (c) Forecasts and budgets are prepared which allow the Management Committee and management to monitor the key business risks and financial objectives, and progress towards financial plans set out for the year. During the financial year, regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information. Significant variances from budgets are investigated as appropriate;
- (d) All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the relevant sub-committees which are comprised of Management Committee members;
- (e) The Association has appointed a firm of consultants, who specialise in internal audit, as internal auditors with the specific responsibility of assessing the adequacy and reliability of the system of internal financial control. The results of such reviews are reported to the Corporate Services Committee;
- (f) The Management Committee reviews reports from the external auditor to provide reasonable assurance that control procedures are in place and are being followed; and
- (g) Formal practices have been established for instituting appropriate action to correct weaknesses identified from the reports of the external auditor and the internal auditor.

The Management Committee has reviewed the effectiveness of the system of internal control in existence in the Association for the year ended 31 March 2021. No weaknesses were found in internal financial control 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.

SHETTLESTON HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

Statement of the 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 Group and the Association and of the income and expenditure of the Group and the Association for the year ended on that date. In preparing those financial statements the Committee are required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and 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 Group and the Association.

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

Disclosure of information to the auditor

As far as the Committee members are aware, there is no relevant audit information of which the Group's auditor is unaware and the Committee members have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to ensure the Group's auditor is aware of such information.

Auditor

Scott-Moncrieff Audit Services changed its name to Azets Audit Services during the year. Following a formal re-tender exercise, Azets Audit Services will be proposed for reappointment at the Annual General Meeting.

By order of the Committee

Christine Thomson
Secretary

Dated: 17 August 2021

SHETTLESTON HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHETTLESTON HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the Parent Association's affairs as at 31 March 2021 and of the Group's and the Parent Association's 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, the Co-operative and Community Benefits Societies (Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2020 issued by the Scottish Housing Regulator.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent 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 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

In auditing the financial statements, we have concluded that the Management Committee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Management Committee with respect to going concern are described in the relevant sections of this report.

SHETTLESTON HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHETTLESTON HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Management Committee is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Management Committee

As explained more fully in the Statement of the Management Committee's responsibilities set out on page 7, 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 is responsible for assessing the Group's and Parent 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 Group or the Parent Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

SHETTLESTON HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHETTLESTON HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the Group and the Parent Association, their activities, their control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the Group and the Parent Association are complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the Group and the Parent Association that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group and the Parent Association through discussions with the Management Committee members and the senior management team, and from our knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and the Parent Association, including the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefits Societies (Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the senior management team and the Management Committee and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

SHETTLESTON HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHETTLESTON HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the Management Committee and relevant sub-committees;
- enquiring of the senior management team and the Management Committee as to actual and potential litigation and claims;
- reviewing legal and professional fees paid in the year for indication of any actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the Scottish Housing Regulator, OSCR and the Group's legal advisors.

We assessed the susceptibility of the Group's and the Parent Association's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of the senior management team and the Management Committee as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

SHETTLESTON HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHETTLESTON HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Use of our report

This report is made solely to the Parent Association's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Parent Association's members, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Association and the Parent Association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services
Statutory Auditor
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 17 August 2021

Azets Audit Services is eligible for appointment as auditor of the Group and Parent Association by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

SHETTLESTON HOUSING ASSOCIATION LIMITED

REPORT OF THE AUDITOR TO THE MANAGEMENT COMMITTEE OF SHETTLESTON HOUSING ASSOCIATION LIMITED ON INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31 MARCH 2021

In addition to our audit of the financial statements, we have reviewed your statements on page 6 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial control contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements on corporate governance matters within Bulletin 2009/4 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Controls on page 6 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial control and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through our enquiry of certain members of the 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 control contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial control.

Azets Audit Services
Statutory Auditor
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 17 August 2021

Azets Audit Services is eligible for appointment as auditor of the Group and Parent Association by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

SHETTLESTON HOUSING ASSOCIATION LIMITED

**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
Turnover	4	10,272,976	<i>10,141,255</i>
Operating expenditure	4	(7,489,448)	<i>(8,340,767)</i>
Operating surplus	4, 11	2,783,528	<i>1,800,488</i>
Gain on fixed asset disposal		25,510	<i>15,686</i>
Increase/(decrease) in fair value of investment properties	14b	135,699	<i>(86,859)</i>
Interest receivable and other income	9	572	<i>1,385</i>
Interest payable and similar charges	10	(1,310,959)	<i>(1,724,020)</i>
Wind up of Upkeep Recycling		-	<i>(2,607)</i>
Surplus before taxation		1,634,350	<i>4,073</i>
Tax (charge) on surplus	12	(42,201)	<i>(23,495)</i>
Surplus/(loss) for the year		1,592,149	<i>(19,422)</i>
Other comprehensive income			
Actuarial (loss)/gain in respect of the SHAPS defined benefit pension scheme	24	(1,569,000)	<i>1,402,000</i>
Actuarial gain in respect of the Strathclyde defined benefit pension scheme	24	35,000	<i>141,000</i>
Total comprehensive income		58,149	<i>1,523,578</i>

The results for the year relate wholly to continuing activities.

The notes form part of these financial statements

SHETTLESTON HOUSING ASSOCIATION LIMITED**ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
Turnover	4	10,091,335	10,033,613
Operating expenditure	4	(7,591,006)	(8,373,850)
Operating surplus	4, 11	2,500,329	1,659,763
Gain on disposal of property, plant and equipment		25,510	15,686
Interest receivable and other income	9	34,040	34,853
Interest payable and similar charges	10	(1,308,200)	(1,724,020)
Increase/(decrease) in fair value of investment properties	14c	135,699	(86,859)
Surplus/(loss) for the year		1,387,378	(100,577)
Other comprehensive income			
Actuarial (loss)/gain in respect of the SHAPS defined benefit pension scheme	24	(1,569,000)	1,402,000
Actuarial gain in respect of the Strathclyde defined benefit pension scheme	24	35,000	141,000
Total comprehensive income		(146,622)	1,442,423

The results for the year relate wholly to continuing activities.

The notes form part of these financial statements

SHETTLESTON HOUSING ASSOCIATION LIMITED

GROUP STATEMENT OF CHANGES IN CAPITAL AND RESERVES AS AT 31 MARCH 2021

	Share Capital £	Revenue Reserve £	Capital Redemption Reserve £	Total Reserves £
Balance at 1 April 2020 restated	248	7,503,319	591	7,504,158
Issue of share capital	5	-	-	5
Cancellation of share capital	(141)	-	141	-
Total comprehensive income	-	58,149	-	58,149
	<u>112</u>	<u>7,561,468</u>	<u>732</u>	<u>7,562,312</u>

GROUP STATEMENT OF CHANGES IN CAPITAL AND RESERVES AS AT 31 MARCH 2020

	<i>Share Capital £</i>	<i>Revenue Reserve £</i>	<i>Capital Redemption Reserve £</i>	<i>Total Reserves £</i>
Balance at 1 April 2019 restated	244	5,979,741	583	5,980,568
Issue of share capital	12	-	-	12
Cancellation of share capital	(8)	-	8	-
Total comprehensive income	-	1,523,578	-	1,523,578
	<u>248</u>	<u>7,503,319</u>	<u>591</u>	<u>7,504,158</u>

The notes form part of these financial statements

SHETTLESTON HOUSING ASSOCIATION LIMITED

ASSOCIATION STATEMENT OF CHANGES IN CAPITAL AND RESERVES AS AT 31 MARCH 2021

	Share Capital £	Revenue Reserve £	Capital Redemption Reserve £	Total Reserves £
Balance at 1 April 2020 restated	248	7,292,819	591	7,293,658
Issue of share capital	5	-	-	5
Cancellation of share capital	(141)	-	141	-
Total comprehensive income	-	(146,622)	-	(146,622)
Balance at 31 March 2021	<u>112</u>	<u>7,146,197</u>	<u>732</u>	<u>7,147,041</u>

ASSOCIATION STATEMENT OF CHANGES IN CAPITAL AND RESERVES AS AT 31 MARCH 2020

	<i>Share Capital £</i>	<i>Revenue Reserve £</i>	<i>Capital Redemption Reserve £</i>	<i>Total Reserves £</i>
Balance at 1 April 2019 restated	244	5,850,396	583	5,851,223
Issue of share capital	12	-	-	12
Cancellation of share capital	(8)	-	8	-
Total comprehensive income	-	1,442,423	-	1,442,423
Balance at 31 March 2020 restated	<u>248</u>	<u>7,292,819</u>	<u>591</u>	<u>7,293,658</u>

The notes form part of these financial statements

SHETTLESTON HOUSING ASSOCIATION LIMITED

**GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	Notes	2021 £	<i>Restated</i> 2020 £
Tangible fixed assets			
Housing properties	14a	71,523,484	70,500,650
Other fixed assets	14b	2,391,045	2,286,214
		<u>73,914,529</u>	<u>72,786,864</u>
Current assets			
Stock	15b	85,014	63,982
Debtors	16	1,437,429	1,817,952
Cash at bank and in hand	17	821,676	751,098
		<u>2,344,119</u>	<u>2,633,032</u>
Creditors: amounts falling due within one year	18	(2,771,775)	<i>(55,164,176)</i>
Net current (liabilities)		<u>(427,656)</u>	<u><i>(52,531,144)</i></u>
Total assets less current liabilities		<u>73,486,873</u>	<u>20,255,720</u>
Creditors: amounts falling due after more than one year	19	(64,507,043)	<i>(12,512,202)</i>
Provisions for liabilities	13	(12,518)	<i>(5,360)</i>
SHAPS defined benefit pension liability	24	(1,391,000)	<i>(212,000)</i>
Strathclyde pension scheme defined benefit pension liability	24	(14,000)	<i>(22,000)</i>
Net assets		<u>7,562,312</u>	<u>7,504,158</u>
Capital and reserves			
Share capital	21	112	248
Revenue reserve	21	7,561,468	7,503,319
Capital redemption reserve	21	732	591
		<u>7,562,312</u>	<u>7,504,158</u>

The financial statements were authorised for issue by the Management Committee on 17 August 2021 and were signed on its behalf by:

Lesley Scoffield

Chairperson

John Morrison

Vice Chairperson

Christine Thomson

Secretary

Regulated Number: SP1884RS
The notes form part of these financial statements

SHETTLESTON HOUSING ASSOCIATION LIMITED

**ASSOCIATION STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	Notes	2021 £	<i>Restated</i> 2020 £
Tangible fixed assets			
Housing properties	14a	71,523,484	70,500,650
Other fixed assets	14c	1,667,990	1,599,588
		<u>73,191,474</u>	<u>72,100,238</u>
Investments			
Investments in subsidiaries	15a	2	2
Current assets			
Debtors due in more than one year	16	669,359	669,359
Debtors due in less than one year	16	1,439,833	1,778,791
Cash at bank and in hand	17	437,428	560,058
		<u>2,546,620</u>	<u>3,008,208</u>
Creditors: amounts falling due within one year	18	(2,705,233)	(55,068,588)
		<u>(158,613)</u>	<u>(52,060,380)</u>
Total assets less current liabilities		<u>73,032,863</u>	<u>20,039,860</u>
Creditors: amounts falling due after more than one year	19	(64,480,822)	(12,512,202)
SHAPS defined benefit pension liability	24	(1,391,000)	(212,000)
Strathclyde pension scheme defined benefit pension liability	24	(14,000)	(22,000)
		<u>7,147,041</u>	<u>7,293,658</u>
Capital and reserves			
Share capital	21	112	248
Revenue reserve	21	7,146,197	7,292,819
Capital redemption reserve	21	732	591
		<u>7,147,041</u>	<u>7,293,658</u>

The financial statements were authorised for issue by the Management Committee on 17 August 2021 and were signed on its behalf by:

Lesley Scoffield

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Thomson

Regulated Number: SP1884RS
The notes form part of these financial statements

SHETTLESTON HOUSING ASSOCIATION LIMITED

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
Net cash generated from operating activities	1	4,723,383	2,846,174
Cashflows from investing activities			
Purchase of property, plant and equipment		(2,943,063)	(4,934,443)
Proceeds from sale of property, plant and equipment		56,102	43,592
Deferred Government Capital Grants received		457,158	1,006,497
Interest received		572	1,385
Tax paid		(19,316)	(1,829)
Cashflows from financing activities			
Interest paid		(1,671,462)	(1,724,020)
Repayment of other loans		(190,000)	(285,000)
Bank loan drawn down		-	3,500,000
SHAPS past service deficit payment		(342,801)	(356,467)
Issue of share capital		5	12
Net changes in cash and cash equivalents		70,578	95,901
Cash and cash equivalents at 1 April 2020		751,098	655,197
Cash and cash equivalents at 31 March 2021		821,676	751,098

i) Analysis of changes in net debt

	Restated At 1 April 2020 £	Cash flows £	Other non- cash changes £	At 31 March 2021 £
Cash and cash equivalents				
Cash	751,098	70,578	-	821,676
Overdrafts	-	-	-	-
Cash equivalents	-	-	-	-
	<u>751,098</u>	<u>70,578</u>	<u>-</u>	<u>821,676</u>
Borrowings				
Debt due within one year	(53,083,654)	190,000	52,094,190	(799,464)
Debt due after one year	-	-	(51,742,685)	(51,742,685)
	<u>(53,083,654)</u>	<u>190,000</u>	<u>351,505</u>	<u>(52,542,149)</u>
Total	<u>(52,332,556)</u>	<u>260,578</u>	<u>351,505</u>	<u>(51,720,473)</u>

The notes form part of these financial statements

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

1) Reconciliation of surplus for year to Net Cash Inflow from Operating Activities

	2021 £	2020 £
Surplus/(loss) for the year	1,592,149	(19,422)
<u>Adjustments for non-cash items</u>		
Depreciation	1,886,466	1,740,773
Impairment of housing properties under construction	-	362,308
Movement in fair value of investment properties	(135,699)	86,859
Decrease/(increase) in debtors	380,523	(1,189,927)
(Decrease) in creditors	(152,072)	(6,387)
Release of deferred Government capital grants	(203,088)	(174,954)
Strathclyde Pension Scheme – non cash movements	27,000	49,000
SHAPS Pension Scheme – non cash movements	(47,290)	181,467
Carrying value of tangible fixed asset disposals	30,502	27,906
(Increase)/decrease in stock	(21,032)	23,513
Taxation charge	42,201	23,495
Aborted costs	69,348	-
<u>Adjustments for investing or financing activities</u>		
Proceeds from sale of tangible fixed assets	(56,012)	(43,592)
Interest received	(572)	(1,385)
Interest payable	1,310,959	1,724,020
Amortisation of arrangement fee	-	62,500
	<u><u>4,723,383</u></u>	<u><u>2,846,174</u></u>

SHETTLESTON HOUSING ASSOCIATION LIMITED

**ASSOCIATION STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
Net cash generated from operating activities	1	4,451,023	2,704,985
Cashflows from investing activities			
Purchase of property, plant and equipment		(2,919,454)	(4,932,258)
Proceeds from sale of property, plant and equipment		56,102	43,592
Deferred Government Capital grants received		457,158	1,006,497
Interest received		34,040	34,853
Cashflows from financing activities			
Interest paid		(1,668,703)	(1,724,020)
Bank loan drawn down		-	3,500,000
Repayment of other loans		(190,000)	(285,000)
SHAPS past service deficit payment		(342,801)	(356,467)
Issue of share capital		5	12
Net changes in cash and cash equivalents		(122,630)	(7,806)
Cash and cash equivalents at 1 April 2020		560,058	567,864
Cash and cash equivalents at 31 March 2021		437,428	560,058

(i) Analysis of changes in net debt

	Restated At 1 April 2020 £	Cash flows £	Other non- cash changes £	At 31 March 2021 £
Cash and cash equivalents				
Cash	560,058	(122,630)	-	437,428
Overdrafts	-	-	-	-
Cash equivalents	-	-	-	-
	<u>560,058</u>	<u>(122,630)</u>	<u>-</u>	<u>437,428</u>
Borrowings				
Debt due within one year	(53,083,654)	190,000	52,103,188	(790,466)
Debt due after one year	-	-	(51,742,685)	(51,742,685)
	<u>(53,083,654)</u>	<u>190,000</u>	<u>360,503</u>	<u>(52,533,151)</u>
Total	<u>(52,523,596)</u>	<u>67,370</u>	<u>360,503</u>	<u>(52,095,723)</u>

The notes form part of these financial statements

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE ASSOCIATION STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

1) Reconciliation of surplus for year to Net Cash Inflow from Operating Activities

	2021	2020
	£	£
Surplus/(loss) for the year	1,387,378	(100,577)
<u>Adjustments for non-cash items</u>		
Depreciation	1,864,067	1,732,586
Impairment of housing under construction	-	362,308
Movement in fair value of investment properties	(135,699)	86,859
Decrease/(increase) in debtors	338,958	(1,180,761)
(Decrease)/increase in creditors	(98,301)	13,076
Release of deferred Government capital grants	(203,088)	(174,954)
Strathclyde Pension Scheme – non cash movements	27,000	49,000
SHAPS Pension Scheme – non cash movements	(47,290)	181,467
Carrying value of tangible fixed asset disposals	30,502	27,906
Aborted costs	69,348	-
<u>Adjustments for investing or financing activities</u>		
Proceeds from sale of tangible fixed assets	(56,012)	(43,592)
Interest received	(34,040)	(34,853)
Interest payable	1,308,200	1,724,020
Amortisation of arrangement fee	-	62,500
	4,451,023	2,704,985

SHETTLESTON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General Information

The Group is registered under The Co-operative & Community Benefit Societies Act 2014. The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Accounting Requirements issued by the Scottish Housing Regulator and Statement of Recommended Practice for Social Housing Providers.

The principal accounting policies are set out below.

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

The Association is a registered social landlord in Scotland and its registered number is 183. The registered address is included in the front page of the financial statements.

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

2. Accounting policies

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Accounting Requirements as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers. The principal accounting policies are set out below.

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

A summary of the principal accounting policies is set out below.

(a) Basis of preparation

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

The effect of events relating to the year ended 31 March 2021, which occurred before the date of approval of the financial statements by the Board of Management have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2021 and of the results for the year ended on that date.

(b) Going concern

The Management Committee anticipates that a surplus will be generated in the year to 31 March 2022 and the year to 31 March 2023. The Group has a healthy cash position and thus the Management Committee is satisfied that there are sufficient resources in place to continue operating for the foreseeable future.

SHETTLESTON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

(b) Going concern (continued)

As the new loan facility is now in place and a revised business plan has been agreed, the Management Committee continue to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Turnover

Association

Turnover represents rental and service charge income, factoring service income, and fees or revenue grants receivable from Glasgow City Council and from the Scottish Government. Also included is any income from first tranche shared ownership disposals.

Upkeep Shettleston Community Enterprises Limited and East End Housing Development Company Limited

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

(d) Apportionment of management expenses

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

(e) Government revenue grants

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

(f) Interest receivable and other income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

(g) Interest payable and similar expenses

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

(h) Lessor

The Group rents out commercial property under formal leases. The rental income is recognised within other activities (note 6) on an accruals basis.

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

(i) Fixed assets - Housing properties

Housing properties are stated at deemed cost based on an Existing Use Value at 1 April 2014. From this date, housing properties have been accounted for under historical cost. The development cost of housing properties includes the following:

- cost of acquiring land and buildings;
- development expenditure; and
- internal administrative costs relating to the acquisition and development of housing properties.

Included within housing properties is 32 mid-market units leased to tenants via East End Housing Development Company Limited.

These costs are termed "qualifying costs" by the Scottish Government for approved Housing Association Grant. Refurbishment expenditure on existing properties is capitalised to the extent that the expenditure represents improvements to the properties or replacement of components.

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.

(j) Fixed assets – investment properties

Investment properties are initially recorded at cost. Thereafter investment properties are held at market value with any changes in market value recognised in the Statement of Comprehensive Income.

(k) Fixed assets – other fixed assets

Other fixed assets are stated at cost less accumulated depreciation.

(l) Development and maintenance administration costs

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

(m) Depreciation

Housing properties

Housing properties are stated at cost, less accumulated depreciation. Each housing unit has been split between its major component parts. Each major component is depreciated on a straight line basis over its expected economic useful life. The cost of new housing units are depreciated from the month the unit is first rented. The following major components and useful lives have been identified by the Association:

Land	- not depreciated
Structure	- over 50 years
Heating	- over 15 years
Digital	- over 15 years
Kitchen	- over 15 years
Bathroom	- over 30 years
Doors	- over 30 years
Windows	- over 30 years
Cladding	- over 50 years
Roof	- over 50 years
Gutters	- over 30 years
Electrical	- over 30 years

SHETTLESTON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

(m) Depreciation (continued)

Other fixed assets

Depreciation is charged on other fixed assets so as to write off the asset cost less any recoverable value over its anticipated useful life.

The following rates have been used:

Computer Equipment	-	33% on cost
Motor Vehicles	-	25% on cost
Furniture & Fittings	-	20% on cost
Office Premises	-	2% on cost

A full year's depreciation is charged in the year of purchase. No charge is made in the year of disposal.

(n) Stock

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each Statement of Financial Position date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

(o) Debtors

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

Rental arrears represent amounts due by tenants for rental of social housing properties at the year end. Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in Note 16.

(p) Cash and Cash Equivalents

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

(q) Creditors

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

(r) Financial Instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

(r) Financial instruments (continued)

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

(s) Government capital grants

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

(t) Non-government capital and revenue grants

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

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

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

(u) Loans

Mortgage loans are advanced by Private Lenders under the terms of individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments which have been given approval by Glasgow City Council.

(v) Pensions (note 24)

The Scottish Housing Association Defined Benefits Pension Scheme

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

(v) Pensions (note 24) (continued)

Defined benefit schemes are funded, with the assets held separately from the Association in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each reporting date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Statement of Financial Position only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the reporting date. A pension scheme liability is recognised to the extent that the Association has a legal or constructive obligation to settle the liability.

The Strathclyde Pension Fund

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

Defined benefit schemes are funded, with the assets held separately from the Association in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each reporting date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Statement of Financial Position only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the reporting date. A pension scheme liability is recognised to the extent that the Association has a legal or constructive obligation to settle the liability.

The Scottish Housing Association Defined Contribution Scheme

This is a defined contribution scheme. Employer contributions are charged to the Statement of Comprehensive Income on an accruals basis.

(w) Financial Commitments

Assets held under finance leases where substantially all the risks and rewards of ownership of the asset have passed to the Group and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated in the Statement of Comprehensive Income over the period of their useful lives.

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

(x) Development and maintenance costs capitalised

100% of the payroll cost of the development staff is capitalised whilst a proportion (ranging from 25% to 100%) of the payroll cost of maintenance staff is capitalised based on an estimate of the time spent by maintenance staff on managing capital additions (i.e., new components).

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

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

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

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

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

Estimate

Basis of estimation

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

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4. Particulars of turnover, operating expenditure and operating surplus

Group	2021			2020		
	Turnover £	Operating Expenditure £	Operating Surplus £	Turnover £	Operating Expenditure £	Operating Surplus £
Income and Expenditure From lettings						
Social Lettings (Note 5)	9,914,643	7,537,437	2,377,206	9,863,041	8,255,618	1,607,423
Other activities (Note 6)	176,692	53,569	123,123	170,572	118,232	52,340
Upkeep Shettleston Community Enterprises Limited	2,123,904	1,906,746	217,158	2,359,224	2,260,109	99,115
East End Housing Development Company Limited	216,480	150,439	66,041	206,798	165,188	41,610
Less: Intergroup transactions*	(2,158,743)	(2,158,743)	-	(2,458,380)	(2,458,380)	-
	<u>10,272,976</u>	<u>7,489,448</u>	<u>2,783,528</u>	<u>10,141,255</u>	<u>8,340,767</u>	<u>1,800,488</u>
Association						
	Turnover £	Operating Expenditure £	2021 Operating Surplus £	Turnover £	Operating Expenditure £	2020 Operating Surplus £
Income and Expenditure From lettings						
Social Lettings (Note 5)	9,914,643	7,537,437	2,377,206	9,863,041	8,255,618	1,607,423
Other activities (Note 6)	176,692	53,569	123,123	170,572	118,232	52,340
	<u>10,091,335</u>	<u>7,591,006</u>	<u>2,500,329</u>	<u>10,033,613</u>	<u>8,373,850</u>	<u>1,659,763</u>

*These are intergroup transactions removed on consolidation including the sales from Upkeep to the Association, the management charge from the Association to the two subsidiaries and rent charged by the Association to EEHDC

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Particulars of turnover, operating expenditure and operating surplus from social letting activities

Association	General Needs Housing £	Supported Housing Accommodation £	Shared Ownership Accommodation £	2021 Total £	2020 Total £
Income from rent and service charges					
Rent receivable net of service charges	9,088,101	-	51,784	9,139,885	8,810,102
Mid-market rent lease income	72,287	-	-	72,287	68,534
Service charges	365,470	-	2,797	368,267	354,183
Gross income from rents and service charges	9,525,858	-	54,581	9,580,439	9,232,819
Less voids	(181,850)	-	-	(181,850)	(81,367)
Net income from rents and service charges	9,344,008	-	54,581	9,398,589	9,151,452
Stage 3 grants	34,047	-	-	34,047	153,927
Revenue grants	206,236	-	-	206,236	20,400
Amortisation of deferred Government Capital Grants	203,088	-	-	203,088	174,954
Other income	72,683	-	-	72,683	362,308
Total turnover from social letting activities	9,860,062	-	54,581	9,914,643	9,863,041
Expenditure					
Management and maintenance administration costs	2,660,584	-	3,426	2,664,010	3,010,693
Service charges	971,238	-	1,971	973,209	856,449
Planned cyclical maintenance including major repairs	753,005	-	-	753,005	1,369,123
Reactive maintenance costs	1,102,780	-	-	1,102,780	776,473
Bad debts – rents and service charges	78,630	-	-	78,630	47,737
Depreciation of social housing	1,771,828	-	13,048	1,784,876	1,674,144
Property insurance (included in Mgt & Maint costs)	180,927	-	-	180,927	158,691
Impairment charge	-	-	-	-	362,308
Operating costs for social letting activities	7,518,992	-	18,445	7,537,437	8,255,618
Operating Surplus on letting activities, 2021	2,341,070	-	36,136	2,377,206	
Operating Surplus on letting activities, 2020	1,588,216	-	19,207		1,607,423

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. Particulars of turnover, operating expenditure and operating surplus from other activities

Association					2021	2020			2021	2020
	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other income £	Total Turnover £	Total Turnover £	Operating expenditure - bad debts £	Other operating expenditure £	Operating surplus or (deficit) £	Operating surplus or (deficit) £
Wider role activities #	-	-	-	-	-	-	-	-	-	-
Care and repair of property	-	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	53,884	53,884	52,238	-	53,569	315	(12,654)
Care activities	-	-	-	-	-	-	-	-	-	-
Agency/management services for RSLs	-	-	-	9,300	9,300	9,300	-	-	9,300	9,300
Furniture Packages	-	-	-	-	-	-	-	-	-	-
Adaptations	-	-	-	-	-	-	-	-	-	-
Commercial rent	-	-	-	63,830	63,830	63,946	-	-	63,830	55,694
Management charge to subs	-	-	-	49,678	49,678	45,088	-	-	49,678	-
Total from other activities, 2021	-	-	-	176,692	176,692		-	53,569	123,123	
<i>Total from other activities, 2020</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>170,572</i>		<i>170,572</i>	<i>-</i>	<i>118,232</i>		<i>52,340</i>

Undertaken to support the community, other than the provision, construction, improvement and management of housing.

The minimum expected rental income for commercial units for 2021/22 is £71,272.

SHETTLESTON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7. Directors' Emoluments

Group and Association

The directors are defined as the members of the Management Committee, the Chief Executive and anyone who reports directly to the Chief Executive or the Management Committee. No emoluments were paid to any member of the Management Committee during the year. The Association considers key management personnel to be the Management Committee and Executive Officers (as listed on the front page of the financial statements).

	2021	<i>2020</i>
	£	£
Emoluments (excluding pension contributions) of		
Chief Executive	<u>89,124</u>	<u>87,720</u>

The Chief Executive is a member of the Scottish Housing Association Pension Scheme (SHAPS) described in note 24. No enhanced or special terms apply to membership and he has no other pension arrangements to which the Association contributes. The Association's contribution for the Chief Executive in the year amounted to £12,035 (2020: £8,947). No past service deficit contributions are made in respect of the Chief Executive.

	2021	<i>2020</i>
	Number	<i>Number</i>
Numbers of Directors whose emoluments exceed £60,000 during the year were as follows (excluding pension contributions):-		
£60,001 - £65,000	-	-
£65,001 - £70,000	1	2
£70,001 - £75,000	2	1
£75,001 - £80,000	-	-
£80,001 - £85,000	-	-
£85,001 - £90,000	1	1

The total emoluments (excluding pension contributions) for those earning more than £60,000 were £301,502 (2020: £294,045). The total pension contributions (excluding past service deficit contributions) for those earning more than £60,000 were £40,715 (2020: £29,993).

The total emoluments (including pension contributions but excluding past service deficit contributions) paid to key management personnel was £342,217 (2020: £324,038). The social security costs for these individuals was £35,478 (2020: £34,845).

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Employee Information	2021 Number	2020 Number
The average number of persons employed during the year on a full time equivalent basis was:		
Housing Management	14	16
Maintenance	9	8
Development	2	3
Finance	3	5
Administration	5	5
Factoring	1	2
Housing Support	2	3
Wider role	2	4
Welfare Rights Officers	2	2
IT	2	2
Association	<u>42</u>	<u>50</u>
Upkeep Shettleston Community Enterprises Limited	45	50
	<u><u>87</u></u>	<u><u>100</u></u>

The average headcount for the group was 92 (2020: 104). The average headcount for the Association is 47 (2020: 54).

Group staff costs	2021 £	2020 £
Staff costs (including directors' emoluments):		
Wages and salaries	2,862,496	3,065,235
Social security costs	263,771	276,685
Pension costs	237,400	225,669
Defined benefit pension charge – Strathclyde Pension Fund (Note 24)	27,000	45,000
SHAPS re-measurements (Note 24)	(47,290)	142,467
Agency fees	94,371	66,722
	<u>3,437,748</u>	<u>3,821,778</u>

Association staff costs	2021 £	2020 £
Staff costs (including directors' emoluments):		
Wages and salaries	1,814,801	1,944,552
Social security costs	179,523	190,162
Pension costs	195,827	187,398
Defined benefit pension charge – Strathclyde Pension Fund (Note 24)	27,000	45,000
SHAPS re-measurements (Note 24)	(47,290)	142,467
Agency Fees	94,371	66,722
	<u>2,264,232</u>	<u>2,576,301</u>

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Interest receivable and other income	Group 2021 £	<i>Group 2020 £</i>	Association 2021 £	<i>Association 2020 £</i>
Interest received on deposits	572	1,385	572	1,385
Interest received on loans to subsidiaries	-	-	33,468	33,468
	<u>572</u>	<u>1,385</u>	<u>34,040</u>	<u>34,853</u>
10. Interest payable and similar charges	Group 2021 £	<i>Group 2020 £</i>	Association 2021 £	<i>Association 2020 £</i>
Bank interest paid	1,668,703	1,724,020	1,668,703	1,724,020
Effective interest rate adjustment in respect of break costs (note 19)	(360,503)	-	(360,503)	-
Interest charge recognised in SOCI	1,308,200	1,724,020	1,308,200	1,724,020
Hire purchase finance interest	2,759	-	-	-
	<u>1,310,959</u>	<u>1,724,020</u>	<u>1,308,200</u>	<u>1,724,020</u>
11. Operating surplus	Group 2021 £	<i>Group 2020 £</i>	Association 2021 £	<i>Association 2020 £</i>
Operating surplus is stated after charging:				
Depreciation – social housing	1,671,444	1,498,783	1,671,444	1,498,783
Depreciation – replaced components net book value	113,385	175,361	113,385	76,226
Depreciation – other fixed assets	101,637	66,629	79,238	58,442
Auditor's remuneration (excluding VAT)				
- In their capacity as auditors	27,250	25,160	17,000	14,250
- In respect of other services	3,650	3,605	1,600	1,600
	<u>1,310,959</u>	<u>1,724,020</u>	<u>1,308,200</u>	<u>1,724,020</u>
12. Taxation			2021 £	<i>2020 £</i>
Group				
Provision has been made for United Kingdom corporation tax at 19% (2020: 19%)			(38,997)	(23,270)
Overprovision in prior year			3,954	-
Deferred tax (note 13)			(7,158)	(225)
Tax (charge)			<u>(42,201)</u>	<u>(23,495)</u>
Association				

As a charity, Shettleston Housing Association Limited's charitable activities are not subject to taxation. However, the surpluses from non-charitable activities are subject to taxation. No corporation tax was due in 2021 or 2020 in respect of these non-charitable activities.

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. Provision for liabilities and charges: Deferred Taxation	2021 £	2020 £
Group		
Accelerated capital allowances	<u>12,518</u>	<u>5,360</u>
Provision at start of year	5,360	5,135
Deferred tax charge in Statement of Comprehensive Income for the year (note 12)	<u>7,158</u>	<u>225</u>
Provision at end of year	<u><u>12,518</u></u>	<u><u>5,360</u></u>

14a. Tangible Fixed Assets – Housing Properties

Group and Association

	Housing units for let Completed £	Housing units for let under Construction £	Shared ownership Completed £	Total £
Cost				
At 1 April 2020	68,321,105	8,427,023	703,984	77,452,112
Additions during year	-	2,907,513		2,907,513
Transfers	3,692,420	(3,644,171)	(48,249)	-
Disposals	(162,641)	(69,348)	(35,030)	(267,019)
At 31 March 2021	<u>71,850,884</u>	<u>7,621,017</u>	<u>620,705</u>	<u>80,092,606</u>
Depreciation				
At 1 April 2020	6,877,206	-	74,256	6,951,462
Charge for year	1,658,396	-	13,048	1,671,444
Transfers	6,236	-	(6,236)	-
Disposals	(49,256)	-	(4,528)	(53,784)
At 31 March 2021	<u>8,492,582</u>	<u>-</u>	<u>76,540</u>	<u>8,569,122</u>
Net Book Value				
At 31 March 2021	<u><u>63,358,302</u></u>	<u><u>7,621,017</u></u>	<u><u>544,165</u></u>	<u><u>71,523,484</u></u>
At 31 March 2020	<u><u>61,443,899</u></u>	<u><u>8,427,023</u></u>	<u><u>629,728</u></u>	<u><u>70,500,650</u></u>

Development and maintenance administration costs capitalised amounted to £268,393 (2020: £319,742). £1,865,242 (2020: £2,062,059) of expenditure on new components was capitalised in the year.

Components with a cost of £162,674 (2020: £251,587) and accumulated depreciation of £35,030 (2020: £76,226) were disposed of in the year.

Included in freehold housing properties is land with a historic cost allocation of £11,827,580 (2020: £12,219,134).

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14b. Tangible Fixed Assets – Other Tangible Assets

Group	Investment Properties	Motor Vehicles	Office Premises	Furniture & Fittings	Computer Equipment	Total
Cost	£	£	£	£	£	£
At 1 April 2020 as restated	1,298,301	99,743	950,546	471,979	581,038	3,401,607
Additions	-	51,387	-	6,671	12,711	70,769
Transfer	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation/impairment	135,699	-	-	-	-	135,699
At 31 March 2021	1,434,000	151,130	950,546	478,650	593,749	3,608,075
Depreciation						
At 1 April 2020	-	94,613	94,908	437,456	488,416	1,115,393
Charge for year	-	15,441	37,037	19,323	29,836	101,637
Disposals	-	-	-	-	-	-
At 31 March 2021	-	110,054	131,945	456,779	518,252	1,217,030
Net Book Value						
At 31 March 2021	1,434,000	41,076	818,601	21,871	75,497	2,391,045
At 31 March 2020 as restated	1,298,301	5,130	855,638	34,523	92,622	2,286,214

Note: PY adjustment: As allowed by FRS 102 the Association has made an accounting policy choice to recognise the property at 16 Culrain Street which is rented out to the Association's subsidiary, Upkeep Shettleston Community Enterprises Limited as property, plant and equipment rather than as an investment property. The deemed cost of the property is £150,000, (its fair value at 1 April 2019) and this has been transferred from investment properties brought forward to office premises and other properties brought forward as a prior year adjustment.

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14c. Tangible Fixed Assets – Other Tangible Assets

Association	Investment Properties £	Office Premises £	Furniture & Fittings £	Computer Equipment £	Total £
Cost					
At 1 April 2020 as restated	629,301	950,546	320,984	572,605	2,473,436
Additions	-	-	-	11,941	11,941
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
Change in fair value	135,699	-	-	-	135,699
At 31 March 2021	<u>765,000</u>	<u>950,546</u>	<u>320,984</u>	<u>584,546</u>	<u>2,621,076</u>
Depreciation					
At 1 April 2020	-	94,908	298,106	480,834	873,848
Charge for year	-	37,037	13,047	29,154	79,238
At 31 March 2021	<u>-</u>	<u>131,945</u>	<u>311,153</u>	<u>509,988</u>	<u>953,086</u>
Net Book Value					
At 31 March 2021	<u>765,000</u>	<u>818,601</u>	<u>9,831</u>	<u>74,558</u>	<u>1,667,990</u>
At 31 March 2020 as restated	<u>629,301</u>	<u>855,638</u>	<u>22,878</u>	<u>91,771</u>	<u>1,599,588</u>

Note: PY adjustment: As allowed by FRS 102 the Association has made an accounting policy choice to recognise the property at 16 Culrain Street which is rented out to the Association's subsidiary, Upkeep Shettleston Community Enterprises Limited as property, plant and equipment rather than as an investment property. The deemed cost of the property is £150,000, (its fair value at 1 April 2019) and this has been transferred from investment properties brought forward to office premises and other properties brought forward as a prior year adjustment.

15a. Investments

Association	2021 £	2020 £
Investment in subsidiary undertakings	<u>2</u>	<u>2</u>

Shettleston Housing Association Limited owns 1 ordinary £1 share in Upkeep Shettleston Community Enterprises Limited. The investment is held at cost. This represents a 100% shareholding in Upkeep Shettleston Community Enterprises Limited, a company registered in Scotland, whose principal activity is the provision of a repairs and maintenance and estate caretaker service. Upkeep Shettleston Community Enterprises Limited made a profit of £173,510 (2020: profit of £81,710) for the year ended 31 March 2021 and had net assets of £371,285 (2020: £197,775).

Shettleston Housing Association Limited owns 1 ordinary £1 share in East End Housing Development Company Limited. The investment is held at cost. This represents a 100% shareholding in East End Housing Development Company Limited, a company registered in Scotland. This company rents out property. East End Housing Development Company Limited made a profit of £27,307 (2020: £6,004) for the year ended 31 March 2021 and had net assets of £43,988 (2020: £16,681).

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15b. Stock

Group	2021	2020
	£	£
Work in progress	52,561	27,287
Stock of materials	32,453	36,695
	<u>85,014</u>	<u>63,982</u>

16. Debtors < 1 year

	Group	<i>Group</i>	Association	<i>Association</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	£	£	£
Amounts falling due within one year:				
Rental arrears	426,367	422,641	426,367	422,641
Less: provision for bad debts	(251,356)	(181,531)	(251,356)	(181,531)
	<u>175,011</u>	<u>241,110</u>	<u>175,011</u>	<u>241,110</u>
Trade debtors	10,531	5,904	5,593	-
Amounts owed by subsidiaries	-	-	64,590	2,992
Other debtors and prepayments	1,251,887	1,570,938	1,194,639	1,534,689
	<u>1,437,429</u>	<u>1,817,952</u>	<u>1,439,833</u>	<u>1,778,791</u>
Debtors > 1 year				
Amounts owed by subsidiaries	-	-	669,359	669,359
	<u>-</u>	<u>-</u>	<u>669,359</u>	<u>669,359</u>

17. Cash and cash equivalents

	Group	<i>Group</i>	Association	<i>Association</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	£	£	£
Balances held in current accounts	422,814	219,607	38,566	28,567
Balances held in deposit accounts	398,862	531,491	398,862	531,491
	<u>821,676</u>	<u>751,098</u>	<u>437,428</u>	<u>560,058</u>

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

18. Creditors	Group	<i>Restated</i>	Association	<i>Restated</i>
Amounts falling due within one year	2021	<i>Group</i>	2021	<i>Association</i>
	£	2020	£	2020
		£		£
Bank loans	790,466	52,893,654	790,466	52,893,654
Trade creditors	566,641	432,169	509,990	365,419
Amounts owed to subsidiaries	-	-	140,225	63,817
Other creditors	200,493	154,029	167,279	124,457
Rent in advance	413,727	360,245	413,727	360,245
Capital works and retentions	39,463	200,105	39,463	200,105
Accruals and deferred income	438,420	657,503	389,419	642,045
Corporation tax	38,997	23,270	-	-
Other tax and social security	71,482	78,247	51,576	53,892
Deferred government capital grants (note 20)	203,088	174,954	203,088	174,954
Other loans	-	190,000	-	190,000
Obligations under finance leases	8,998	-	-	-
	2,771,775	55,164,176	2,705,233	55,068,588
	<u><u>2,771,775</u></u>	<u><u>55,164,176</u></u>	<u><u>2,705,233</u></u>	<u><u>55,068,588</u></u>
19. Creditors – Amounts falling due outwith one year			2021	2020
			£	£
Group				
Bank loan			51,742,685	-
Hire purchase creditor			26,221	-
Deferred government capital grants (note 20)			12,738,137	12,512,202
			<u><u>64,507,043</u></u>	<u><u>12,512,202</u></u>
Association				
Bank loan			51,742,685	-
Deferred government capital grants (note 20)			12,738,137	12,512,202
			<u><u>64,480,822</u></u>	<u><u>12,512,202</u></u>
Bank loans:				
Principal loan balance			40,600,000	40,600,000
Break costs incurred on refinancing			12,293,654	12,293,654
			<u><u>52,893,654</u></u>	<u><u>52,893,654</u></u>
Gross loan			52,893,654	52,893,654
Adjustment to break fees – Effective interest rate adjustment (note 10)			(360,503)	-
			<u><u>52,533,151</u></u>	<u><u>52,893,654</u></u>
Net loan			52,533,151	52,893,654
			<u><u>52,533,151</u></u>	<u><u>52,893,654</u></u>
Split as:				
Due in less than one year			790,466	52,893,654
Due between one and two years			803,119	-
Due between two and five years			3,539,689	-
Due in five years or more			47,399,877	-
			<u><u>52,533,151</u></u>	<u><u>52,893,654</u></u>

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

19. Creditors – Amounts falling due outwith one year

Loans are secured by specific charges on the Association's properties and are repayable at rates of interest between 1.07% and 6.44% in instalments. The net book value of housing properties secured at the year-end was £59.8m (2020: £57.3m). The loans are due to be repaid in full by 30 September 2045.

During the year ended 31 March 2021, the Association reached agreement with the lender in respect of the refinancing of the loans and as part of this refinancing exercise there were substantial changes (changes in covenants, interest basis, repayment term and loan maturity) to the terms of the facilities and in line with FRS 102 this has been concluded as being a substantial modification of terms. In retrospect, the break costs and fees under the terms of the original facilities became payable on the breach of the covenant and thus these costs should have been recognised as an expense in the year ended 31 March 2019. Thus, a prior year adjustment has been recognised as at 1 April 2019 to recognise the £12,545,154 of break costs and fees. The prior year comparatives have been restated to this effect with bank loans repayable in < 1 year increased by £12,293,654, accruals increased by £251,500 and retained earnings reduced by an equal amount.

20. Deferred government capital grants	2021	2020
	£	£
Group and Association		
At 1 April	12,687,156	11,855,613
Grants received in year	457,158	1,006,497
Released to income in year	(203,088)	(174,954)
As at 31 March	<u>12,941,226</u>	<u>12,687,156</u>
Deferred government capital grants:		
Due in less than one year	203,088	174,954
Due between one and two years	203,088	174,954
Due between two and five years	609,264	524,860
Due in five years or more	11,925,785	11,812,388
	<u>12,941,225</u>	<u>12,687,156</u>

21. Share capital and reserves

Group and Association	2021	2020
	£	£
At beginning of year	248	244
Shares of £1 each fully paid and issued during the year	5	12
Shares forfeited in year	(141)	(8)
At end of year	<u>112</u>	<u>248</u>

Each share entitles a member to one vote. There is no right to any distribution.

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

The capital redemption reserve includes all issued shares that have been cancelled.

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

22. Capital Commitments

Group and Association	2021 £	2020 £
Contracted for but not provided in these accounts	7,485,853	7,969,834
This is to be funded by:		
Government grant	4,731,082	4,405,784
Private finance	2,594,541	3,317,368
Own Resources	160,230	246,682
	7,485,853	7,969,834
Approved by the Management Committee but not contracted for	-	-

23. Revenue commitments

Group

Operating Leases

The Group's annual commitments for rental payments under non-cancellable operating leases at 31 March 2021 were as set out below:

	2021 Land and Buildings £	2021 Office Equipment £	2020 <i>Land and</i> <i>Buildings</i> £	2020 <i>Office</i> <i>Equipment</i> £
Operating leases which expire				
Within one year	-	36,171	15,750	67,324
1-2 years	-	99,471	1,313	108,514
2-5 years	-	-	-	27,128
>5 years	-	-	-	-
	-	135,642	17,063	202,966
Association				
Operating leases which expire				
Within one year	-	36,171	-	67,324
1-2 years	-	99,471	-	108,514
2-5 years	-	-	-	27,128
>5 years	-	-	-	-
	-	135,642	-	202,966

SHETTLESTON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

24. Pensions

Scottish Housing Association Pension Scheme (SHAPS)

Shettleston Housing Association Limited (the 'Association') participates in the Scottish Housing Association Pension Scheme (SHAPS) (the "Scheme"). The Scheme is a multi-employer defined benefit scheme. There are six benefit structures available, namely:

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

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. The DC option can be introduced by the employer on the first day of any month after giving a minimum of three months' prior notice.

Shettleston Housing Association Limited has elected to operate a 1/70th CARE scheme and Defined Contribution scheme from 1 April 2014 having previously operated a final salary scheme with a 1/60th accrual rate structure.

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

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

During the year, Shettleston Housing Association Limited paid contributions in respect of the CARE 1/70th Scheme at the rate of 10.2% for April 2020 and 13.25% from May 2020 to March 2021 of pensionable salaries. Member contributions were 10.2% for April 2020 and 13.25% from May 2020 to March 2021. Employer contributions to the Defined Contribution Scheme ranged from 2% to 9.45% and employees contributed at various levels from 1% upwards. There was an additional annual employer past service deficit contribution of £342,710 (net of administration costs) made in the year ended 31 March 2021 (2020 - £356,467).

As at the Statement of Financial Position date there were 27 (2020: 32) active members of the Scheme employed by Shettleston Housing Association Limited. The annual pensionable payroll in respect of these members was £1,070,864 (2020: £1,268,348). Shettleston Housing Association Limited continues to offer membership of the Scheme to its employees.

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

24. Pensions (continued)

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

	31 March 2021 £'000	<i>31 March 2020 £'000</i>
Fair value of plan assets	13,230	11,697
Present value of defined benefit obligations	(14,621)	(11,909)
Defined benefit liability to be recognised	<u>(1,391)</u>	<u>(212)</u>

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2021 £'000	<i>Year ended 31 March 2020 £'000</i>
Defined benefit obligation at start of period	11,909	12,848
Current service cost	190	311
Expenses	12	11
Interest cost	283	299
Contribution by plan participants	104	78
Actuarial (loss)/gain due to scheme experience	(6)	45
Actuarial (loss) due to changes in demographic assumptions	-	(74)
Actuarial gain/(loss) due to changes in financial assumptions	2,453	(1,377)
Benefits paid and expenses	(324)	(232)
Defined benefit liability at the end of the period	<u>14,621</u>	<u>11,909</u>

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

	Year ended 31 March 2021 £'000	<i>Year ended 31 March 2020 £'000</i>
Fair value of plan assets at start of the period	11,697	11,059
Interest income	283	260
Experience on plan assets (excluding amounts included in interest income)	878	(4)
Contributions by the employer	592	536
Contributions by participants	104	78
Benefits paid and expenses	(324)	(232)
Fair value of plan assets at end of period	<u>13,230</u>	<u>11,697</u>

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

24. Pensions (continued)

Defined benefit costs recognised in the Statement of Comprehensive Income

	Year ended 31 March 2021 £'000	<i>Year ended 31 March 2020 £'000</i>
Current service cost	190	311
Admin expenses	12	11
Net interest expense	-	39
	<hr/>	<hr/>
Defined benefit costs recognised in Statement of Comprehensive Income	202	361

	Year ended 31 March 2021 £'000	<i>Year ended 31 March 2020 £'000</i>
Experience on plan assets (excluding amounts included in net interest cost – gain/(loss))	878	<i>(4)</i>
Experience gains and losses arising on the plan liabilities – gain/(loss)	6	<i>(45)</i>
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	-	<i>74</i>
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – (loss)/gain	(2,453)	<i>1,377</i>
	<hr/>	<hr/>
Total amount recognised in other comprehensive income – actuarial (loss)/ gain	(1,569)	<i>1,402</i>

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

24. Pensions (continued)

Fund allocation for employer's calculated share of assets

	31 March 2021 £'000	<i>31 March 2020 £'000</i>
Global Equity	2,047	1,609
Absolute Return	652	718
Distressed Opportunities	452	213
Credit Relative Value	381	281
Alternative Risk Premia	531	937
Fund of Hedge Funds	-	-
Emerging Markets Debt	533	416
Risk Sharing	473	370
Insurance-Linked Securities	276	314
Property	237	218
Infrastructure	739	690
Private Debt	312	232
Opportunistic Illiquid Credit	339	285
High Yield	347	-
Opportunistic Credit	361	-
Cash	5	-
Corporate Bond Fund	998	855
Liquid Credit	228	307
Long Lease Property	307	286
Secured Income	727	649
Over 15 Year Gilts	6	148
Liability Driven Investment	3,181	3,080
Net Current Assets	98	89
Total Assets	13,230	11,697

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

Assumptions as at	31 March 2021 % per annum
Discount rate	2.17
Inflation (RPI)	3.28
Inflation (CPI)	2.86
Salary growth	3.86
Allowance for commutation of pension for cash at retirement	75% of maximum allowance

SHETTLESTON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

24. Pensions (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 2040	22.8
Female retiring in 2040	25.0

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2017 model with an allowance for smoothing of recent mortality experience and long term rates of 1.25% p.a. for males and 1% p.a. for females.

Member data summary

Active members

	Number	Total earnings (£'000s p.a.)	Average age (unweighted)
Males	8	348	57
Females	19	723	51
Total	27	1,071	53

Deferred members

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	5	23	51
Females	19	79	52
Total	24	103	52

Pensioners

	Number	Pensions (£'000s p.a.)	Average age (unweighted)
Males	9	120	68
Females	10	99	64
Total	19	204	66

SHETTLESTON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

24. Pensions (continued)

Employer debt on withdrawal

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

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

The Association has been notified by TPT of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2020. As of this date the estimated employer debt for the Association was £8,800,059.

Strathclyde Pension Fund

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

The main financial assumptions used by the Council's Actuary, Hymans Robertson, in their 2021 valuations are as follows;

Assumptions as at	31 March 2021	31 March 2020
Pension increase rate	2.85%	1.9%
Salary increase rate	3.55%	3.0%
Discount rate	2.00%	2.3%

Mortality

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

	Males	Females
Current Pensioners	19.8 years	22.6 years
Future Pensioners	21.2 years	24.7 years

SHETTLESTON HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

24. Pensions (continued)

Reconciliation of defined benefit obligation

Year Ended:	31 Mar 2021	<i>31 Mar 2020</i>
	£(000)	<i>£(000)</i>
Opening Defined Benefit Obligation	1,713	<i>1,859</i>
Current Service Cost	64	<i>83</i>
Interest Cost	40	<i>46</i>
Contributions by Members	12	<i>12</i>
Actuarial losses/(gains)	240	<i>(257)</i>
Past Service cost	-	-
Liabilities Extinguished on Settlements	-	-
Liabilities Assumed in a Business Combination	-	-
Exchange Differences	-	-
Estimated Unfunded Benefits Paid	-	-
Estimated Benefits Paid	(25)	<i>(30)</i>
	<hr/>	<hr/>
Closing Defined Benefit Obligation	2,044	<i>1,713</i>
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of fair value of employer assets

Year Ended:	31 Mar 2021	<i>31 Mar 2020</i>
	£(000)	<i>£(000)</i>
Opening Fair Value of Employer Assets	1,691	<i>1,745</i>
Expected Return on Assets	39	<i>42</i>
Contributions by Members	12	<i>12</i>
Contributions by the Employer	38	<i>38</i>
Contributions in respect of Unfunded Benefits	-	-
Actuarial gains/(losses)	275	<i>(116)</i>
Assets Distributed on Settlements	-	-
Assets Acquired in a Business Combination	-	-
Exchange Differences	-	-
Estimated Unfunded Benefits Paid	-	-
Estimated Benefits Paid	(25)	<i>(30)</i>
	<hr/>	<hr/>
Closing Fair Value of Employer Assets	2,030	<i>1,691</i>
	<hr/>	<hr/>
Net pension (liability)	(14)	<i>(22)</i>
	<hr/> <hr/>	<hr/> <hr/>

SHETTLESTON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

24. Pensions (continued)

Analysis of amounts included in Statement of Comprehensive Income

Year Ended:	2021 £(000)	2020 £(000)
Expected Return on pension scheme assets	39	42
Interest on pension scheme liabilities	(40)	(46)
	<u> </u>	<u> </u>
Net Return – finance charge	(1)	(4)
	<u> </u>	<u> </u>
	2021 £(000)	2020 £(000)
Current service cost	(64)	(83)
Contribution by employers	38	38
	<u> </u>	<u> </u>
Charge to staff costs	(26)	(45)
	<u> </u>	<u> </u>

The expected Employer's contributions for the year to 31 March 2022 will be approximately £35,199

Analysis of amount recognised in Statement of Comprehensive Income

	2021 £(000)	2020 £(000)
Actual return less expected return on scheme assets	275	(116)
Changes in assumptions underlying the present value of scheme liabilities	240	257
	<u> </u>	<u> </u>
Actuarial gain/(loss) recognised in other comprehensive income	35	141
	<u> </u>	<u> </u>

25. Legislative Provisions

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014. Upkeep Shettleston Community Enterprises Limited and East End Housing Development Company Limited are incorporated under the Companies Act 2006.

SHETTLESTON HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

26. Housing stock

Group and Association

The number of units of accommodation in management was as follows:-

	Units in Management 2021	Units in Management 2020
General Needs Housing	2,378	2,354
Supported Housing Accommodation	-	-
Shared Ownership Accommodation	21	23
	<u>2,399</u>	<u>2,377</u>

Included in general needs housing are 32 units that are leased to tenants via the Association's subsidiary East End Housing Development Company Limited. Per the SORP these are deemed to be affordable rented units and thus should be included as property, plant and equipment.

27. Other property

The other property held are as follows:-

	Group Units in Management 2021	Group Units in Management 2020	Association Units in Management 2021	Association Units in Management 2020
Investment properties - EEHDC	13	13	-	-
Commercial units – Association	8	8	8	8
Garages – Association	16	16	16	16
Main Offices- Association	1	1	1	1
	<u>38</u>	<u>38</u>	<u>25</u>	<u>25</u>

28. Transactions with the Management Committee

No member of the Association received any fee or remuneration during the year (2020: £nil). Members of the Management Committee were reimbursed for out of pocket travel and accommodation expenses amounting to £nil (2020: £3,478).

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

The total rent and service charge receivable in the year relating to tenant Management Committee members is £7,915 (2020: £18,974). The total rent and service charge arrears relating to tenant Management Committee members included within debtors at the year-end is £nil (2020: £810). The total rent and service charge prepaid relating to tenant Management Committee members included within creditors at the year-end is £1,182 (2020: £162).

29. Prior year adjustment

There was two prior year adjustments recognised in this year's financial statements, one in respect of investment properties (see note 14b/14c) and one in respect of the bank loans (see note 19).