

**SPIRE VIEW HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Registered Housing Association Number: HAC 136
FCA Reference Number: 2295R (S)
Scottish Charity Registration Number: SC033266

SPIRE VIEW HOUSING ASSOCIATION LIMITED

CONTENTS

THE MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS..... 1

REPORT FROM THE MANAGEMENT COMMITTEE 2

REPORT BY THE AUDITOR ON CORPORATE GOVERNANCE MATTERS 10

INDEPENDENT AUDITOR’S REPORT 11

STATEMENT OF COMPREHENSIVE INCOME 14

STATEMENT OF FINANCIAL POSITION 15

STATEMENT OF CASH FLOWS..... 16

STATEMENT OF CHANGES IN CAPITAL AND RESERVES 17

NOTES TO THE FINANCIAL STATEMENTS 18

SPIRE VIEW HOUSING ASSOCIATION LIMITED
THE MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019

MEMBERS OF THE MANAGEMENT COMMITTEE

Charlie Lunn	(Chairperson)	
Alan Brown	(Vice Chairperson)	
Jean Lunn	(Secretary)	
Lynda Mullholland	(Treasurer)	
Frances McEwan	(Committee Member)	
Andrew Samson	(Committee Member)	
Clare O'Donnell	(Committee Member)	
Allan Stewart	(Committee Member)	
Caitlin Heaney	(Committee Member)	
Ross Love	(Committee Member)	
Isabel Heeps	(Committee Member)	(Resigned 30/05/19)
Louise Irving	(Committee Member)	(Resigned 05/02/19)
Eddie Heron	(Committee Member)	(Resigned 03/12/18)
Mark Shannon	(Committee Member)	(Appointed March 2019)
Andy White	(Committee Member)	(Co-opted 25/03/19)
Andrew Wilkie	(Committee Member)	(Co-opted 25/03/19)
Rachel Cooper	(Committee Member)	(Co-opted 25/03/19)

EXECUTIVE OFFICERS

Fiona Murphy	(Director)
Donna Richardson	(Housing Manager)

REGISTERED OFFICE

43 Tharsis Street
 Roystonhill
 Glasgow
 G21 2JF

AUDITOR

French Duncan LLP
 Chartered Accountants
 Statutory Auditor
 133 Finnieston Street
 Glasgow
 G3 8HB

BANKERS

Clydesdale Bank plc
 66 Queen Street
 Glasgow
 G31 3DS

Nationwide Building Society
 Caledonia House, Carnegie Avenue
 Dunfermline
 KY11 8PJ

SOLICITORS

TC Young
 7 West George Street
 Glasgow
 G2 1BA

BTO Solicitors
 40 St Vincent Street
 Glasgow
 G2 5HS

**SPIRE VIEW HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2019**

The Management Committee presents their report and the audited Financial Statements for the year ended 31 March 2019.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.2295R (S). The Association is governed under its Rule Book. The Association is a Registered Scottish Charity with the charity number SC033266

Principal Activities

The principal activity of the Association is the provision and management of affordable rented accommodation.

Review of Business

Our progress during the year was excellent and included:

- Completed a comprehensive exercise in order to self-assess our compliance with the Scottish Housing Regulators 'Regulatory Standards of Governance and Financial Management' and devised an action plan to ensure continued compliance with the standards.
- Undertaking and completing a full Tenant Satisfaction Survey, with excellent results.
- Securing additional funding towards the creation of a new state of the art community facility to meet the needs and demands of the local Community in which we operate. This project went on site in February 2018 and was completed in August 2019.
- Carrying out a comprehensive review of our current rent charges in order to ensure financial sustainability and continued investment in our stock.
- Commencing a review of our approach to Estate Management.
- Significant planned maintenance works to include replacement of 49 kitchens and 57 boilers.
- A review of our procurement practices and implementation of a new Procurement Policy.
- Progressing plans to develop 24 new housing units on the former social work building site at Glenbarr Street.
- Carrying out a Stock Condition Survey and commencing the development of a 5 year Investment Strategy.
- Running a very successful Management Committee recruitment campaign and attracting new members and co-optees with a wide range of relevant skills, thus further strengthening our Governance arrangements.
- A Comprehensive review of our 30 year projections, including sensitivity analysis. This is to ensure the Association continues to remain financially viable in the short medium and long-term. The updated Business Plan incorporates all these changes.
- A further review, through a workshop based session, of all the risks facing the Association and systems in place for monitoring, reporting and mitigation.
- Continued our programme of independent internal audit.
- A continuation of our Wider Role programme to include the provision of various services including; Money Advice, Financial Capability and Tenancy Support. We also secured significant Wider Role funding to support Royston Youth Action and the activities they deliver in the local community.
- A thorough programme of appraisals and training for staff and management committee.
- Commencement of a comprehensive review of our staff service sharing arrangements with Copperworks Housing Association.
- 2 community events / fun days including a 'spring clean up' and 'Christmas Event'
- Continued membership and an active, leading role in the Royston Strategy Group which includes all RSL's, MP, Councillors, MSP, Rosemount Development Trust, GHA, Rosemount Lifelong Learning, Police, Fire Service, Royston Youth Action, North Glasgow Community Food Initiative and local schools.

**SPIRE VIEW HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2019**

Strategy and Objectives

The Association's mission is to provide locally based, high quality, affordable housing and services which will contribute to the well-being of the community we serve. The vision for Spire View is to be the landlord of choice in our neighbourhood, working with our customers, community and local stakeholders to create an area where people choose and are happy to live. Great service and value for money are at our core and we strive relentlessly to balance both. The achievement of our mission, vision and strategic objectives is underpinned by our values of Excellence, Accountability and Partnership Working, which shape how we do business. During 2017/2018, we agreed a completely new 3 year Business Plan. As part of this process, we reviewed and updated our Strategic Objectives to state that we will:

- Maintain and enhance strong strategic governance
- Ensure that customers receive the highest possible standard of service at all times
- Provide quality homes in an attractive environment
- Seek to improve our financial strength and deliver value for money
- Develop our leadership and staff
- Continue our role as a community anchor by providing services and improving our commitment to grow and thrive

This comprehensive review of our strategy and objectives took account of tenant views and priorities and was prepared following a joint strategy day with our partners at Copperworks Housing Association. As well as clarifying our purpose, potential and priorities, the new plan reaffirmed the strategic direction of the Association. A further review of the Business Plan was carried out during 2018/2019.

Future Developments

Future developments as clearly defined within our new Business Plan include;

Objective 1 – Maintain and enhance strong strategic governance.

In summary we will:

- Strengthen our Committee through an ongoing recruitment campaign to bolster both numbers and the range of skills on our Committee. This will also be an important part of succession planning to make sure the governing body is shaped for the future.
- Continue to deliver a training programme to develop our Management Committee to ensure that individually and collectively, they demonstrate high levels of effective governance over the organisation. This will include a comprehensive programme of induction and development for new Committee members. Where sensible, we will develop our approach to delivery along with other local RSLs to share costs and learning.
- Continue to review our governance, finance, corporate and service policy suite. All staff and tenants will be encouraged to actively participate in the development of key policies to ensure all policies and related procedures are up to date, reflect law and regulatory requirements and good practice and are embedded in our operations. Regular in-house training will be carried out on new policies and procedures as they are introduced for staff and committee.
- Complete required actions on recent internal audits and agree and deliver our annual Internal Audit Programme to test the resilience of key areas of our business against policy and best practice.

**SPIRE VIEW HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2019**

- Complete our Self-Assessment Action Plan with a view to ensuring full compliance with SHR Regulatory Standards of Governance and Financial Management.
- Continue to Review our approach to Risk Management to ensure the continued active consideration of risk management in our strategic and operational activity. We will continue to run regular refresher training sessions and workshops on risk for Committee and the staff team to understand our operating environment, key financial assumptions and to test our ability to respond if risks materialise.

Objective 2 – We will ensure that customers receive the highest possible standard of service at all times.

- We always seek to improve the performance that we currently achieve against the performance indicators of the Annual Return of the Charter (ARC). During the year we were in low engagement with the Scottish Housing Regulator and our aim is to continue to be a well performing RSL. We aim to achieve our Key Performance Targets in 2019/20 to drive this level of high performance, continuous improvement and excellent customer service.
- Our firm focus will always be on finding and delivering the right solutions, at the right time and in the right manner to suit the needs of individual customers.
- Our tenants are at the heart of the service. We enjoy high levels of tenant satisfaction with our service, however we cannot be complacent and will continue to conduct our 3 yearly Tenant Satisfaction Survey which is next due during 2021/2022. We will also continue to conduct our repairs service satisfaction surveys on a daily basis. This will allow us to review our strategic and operational plans and adjust them where appropriate to reflect tenant feedback.
- We will review our Tenant Participation Strategy at least every 3 years to reflect current sector best practice.
- In this computer age, we will continue to play our part in supporting digital engagement in the community. In 2019/20, we will continue to support digital engagement in the community informed by our customer surveys and other data to help improve access and opportunity for tenants to do business with us and others online, as well as access jobs, training and to help build social networks via the internet.

Objective 3 - Provide Quality Homes in an Attractive Environment

Effective management of our physical assets will always be a top strategic objective and part of our core business. In 2019/20, we will:

- Build on the Stock Condition Survey information obtained in 2018/2019, supplemented by operational knowledge to create a full and accurate picture of investment needs and stock performance.
- Complete the update of our 30 year investment plan and Investment Strategy so that we can identify any financial risks to the Association when preparing budgets.
- Conclude the ongoing review of our approach to Estate Management to ensure our tenants and residents continue to enjoy living in an attractive environment, and that the area within which we operate continues to appeal to new and potential customers.
- Increase our stock and the provision of additional homes where possible through New Build Development.
- Continue to investigate and improve the environmental surroundings within our area of operation.

**SPIRE VIEW HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2019**

Objective 4 – Seek to Improve our Financial Strength and Deliver Value for Money

The Business Plan sets out our financial position over the short, medium and long term. We have run a host of sensitivities to stress test our financial plans against the key risks that could affect us. The results indicate a business capable of withstanding challenges.

- We will maintain the solid financial base of the organisation now and in the future. We have updated our budgets and long term financial assumptions to ensure they fully reflect our long term stock investment needs and will ensure that we manage our service in line with or better than budget assumptions.
- We remain conscious that we want to keep our management costs as low as possible, yet ensure that we maintain and improve the standards of service to customers. We can do this by continuing to share services with Copperworks Housing Association and other local RSLs/ partners. We will continue the ongoing review of the Service Sharing Arrangements with Copperworks to evaluate the ongoing efficiency and effectiveness of the model as well as allowing an opportunity to consider any development opportunities.
- Our Rent Policy demonstrates that we fully understand the need to consider affordability and comparability of rent charges whilst supporting the financial well-being of the Association and our investment requirements. We applied a 4.4% increase on our rents for 2019/20 to reflect our current and future costs. We commenced a comprehensive review of our rent charges during 2018/19 and will conclude this review in 2019/2020 to ensure we will continue to meet all tenant and business requirements.

Objective 5 - Develop our Leadership and Staff

We recognise the vital importance of strong and visionary leadership from the Committee and senior team to developing our staff to be the best they can be.

In 2019/20, we will help achieve this by:

- Conducting annual Committee and staff performance evaluations to ensure all parties understand the vision, values, strategic direction and delivery commitments of the organisation and their part in achieving same.
- From this, we will create learning and development plans to ensure Committee and staff members are trained and developed to deliver on expectations and to reach their full potential.
- We will ensure new members undergo comprehensive induction and future development and training.

Objective 6 – Continue our Role as a Community Anchor by providing services and improving our communities to grow and thrive.

In 2019/20 we will help achieve this by:

- Safeguarding our culture of innovation, customer/business and excellence
- Continuing to Conduct Committee/staff member annual appraisals
- Continuing with learning and development for committee and staff
- Ensuring Succession Planning is discussed at regular intervals for both staff and committee
- Completing the construction of our purpose built, state of the art community facility
- Continuing to support wider role activities which benefit the local community through our partnerships with Royston Youth Action, GEMAP, Simon Community and North Glasgow Community Food Initiative.

**SPIRE VIEW HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2019**

Principal Risks and Uncertainties Faced

The comprehensive review during 2018/19 identified and analysed several risks facing the Association including those relating to:

- Welfare reform
- Potential IT Systems Failures
- Tenant Expectations
- EESSH Compliance
- Interest Rates
- Changing Regulatory Landscape
- Rent Levels
- Effective Governance and
- New Build Development

Using a robust scoring matrix, the Association considered the level of risk presented to the organisation and the control measures required in order to mitigate the risk. The residual risk level was then calculated, an action plan developed and risk 'owner' identified. The risk register is overseen by the Management Committee quarterly through business planning and reporting.

Financial / Non-Financial KPI's

Performance Indicators and Targets were reviewed during the business planning process. These aim to maintain and further improve our positive performance across a number of key areas including arrears, voids, complaints, tenant satisfaction, repairs, gas safety, SHQS, EESSH, anti-social behaviour and staff absence.

Governance

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

Each member of the Management Committee holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the association's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Management Committee.

The members of the Management Committee are also Trustees of the Charity. Members of the Management Committee are appointed by the members at the Association's Annual General Meeting.

Auditor

A resolution to re-appoint the auditor, French Duncan LLP, Chartered Accountants, will be proposed at the Annual General Meeting

Donations

During the year the Association made charitable donations amounting to £2,700 (2018 - £1,765).

SPIRE VIEW HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2019

Statement of Management Committee's responsibilities

The Co-operative and Community Benefit Societies Act 2014 require The Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that year. In preparing those Financial Statements, the Management Committee is required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business;
- Prepare a statement on Internal Financial Control.

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

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

In so far as the Management Committee are aware:

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

**SPIRE VIEW HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2019**

Statement on Internal Financial Control

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

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

It is the Management Committee's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of the Association's systems include ensuring that:

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

**SPIRE VIEW HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2019**

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

By order of Management Committee

Signature

A black rectangular box redacting the signature of Jean Lunn.

**Jean Lunn,
Secretary**

Date: 19/9/2019

SPIRE VIEW HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITOR TO THE MANAGEMENT COMMITTEE OF SPIRE VIEW HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH 2019

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 8 and 9 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on pages 8 and 9 has provided the disclosures required by the relevant Regulatory Standards with the publication "Our Regulatory Framework" and associated Regulatory Advice Notes by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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



French Duncan LLP

Chartered Accountants
Statutory Auditor
133 Finnieston Street
GLASGOW
G3 8HB

Date: 24/09/2019.

SPIRE VIEW HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF SPIRE VIEW HOUSING
ASSOCIATION FOR THE YEAR ENDED 31 MARCH 2019

OPINION

We have audited the financial statements of Spire View Housing Association Limited for the year ended 31 March 2019 which comprise a statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in reserves and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the Financial Statements:

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the housing association in accordance with the ethical requirements that are relevant to our audit of 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the committee members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the committee members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information contained in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

SPIRE VIEW HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF SPIRE VIEW HOUSING ASSOCIATION FOR THE YEAR ENDED 31 MARCH 2019

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF COMMITTEE MEMBERS

As explained more fully in the management committee's responsibilities statement set out on page 7, the committee members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management committee are responsible for assessing the housing association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee members either intend to liquidate the housing association or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 the basis for our opinion. The risk of not detecting a material

SPIRE VIEW HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF SPIRE VIEW HOUSING ASSOCIATION FOR THE YEAR ENDED 31 MARCH 2019

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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the housing association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the housing association to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

USE OF OUR REPORT

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


French Duncan LLP
Chartered Accountants and Statutory Auditor
133 Finnieston Street
GLASGOW
G3 8HB

Date: 24/09/2019.

SPIRE VIEW HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

		2019	2018
	Notes	£	£
REVENUE	2	2,085,667	1,985,833
Operating costs	2	<u>(1,653,471)</u>	<u>(1,559,856)</u>
OPERATING SURPLUS	2, 8	432,196	425,977
Loss on disposal of component replacements		(15,726)	-
Interest receivable and other similar income		3,425	875
Interest payable and other similar charges	7	(43,188)	(27,019)
Other Finance Charges	10	<u>(12,000)</u>	<u>(3,000)</u>
		<u>(67,489)</u>	<u>(29,144)</u>
SURPLUS FOR THE YEAR		364,707	396,833
OTHER COMPREHENSIVE INCOME			
Initial recognition of multi-employer defined benefit scheme	22	(147,000)	-
Actuarial loss recognised in the retirement benefit scheme	22	(115,000)	-
SHAPS Pension adjustment			3,000
TOTAL COMPREHENSIVE INCOME		<u>102,707</u>	<u>399,833</u>

The results for the year relate wholly to continuing activities.

The notes on page 18 to 37 form part of these financial statements.

SPIRE VIEW HOUSING ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	2019 £	2018 £
NON-CURRENT ASSETS			
Housing properties - depreciated cost	11(a)	10,413,339	10,238,596
Other tangible fixed assets	11(b)	<u>2,127,275</u>	<u>580,588</u>
		12,540,614	10,819,184
CURRENT ASSETS			
Debtors	13	188,385	202,962
Cash at bank and in hand		<u>1,800,639</u>	<u>1,785,866</u>
		1,989,024	1,988,828
CREDITORS: amounts falling due within one year	14	<u>(801,575)</u>	<u>(729,351)</u>
NET CURRENT ASSETS		<u>1,187,449</u>	<u>1,259,477</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,728,063	12,078,661
CREDITORS: amounts falling due after more than one year			
housing property loans	15	(2,234,668)	(2,519,095)
PROVISIONS FOR LIABILITIES			
Liability for past service contribution arrangements		-	(232,734)
retirement benefit scheme deficit	22	(505,000)	-
DEFERRED INCOME			
Social Housing Grants	17	(444,174)	(345,417)
Other Grants	17	<u>(1,690,099)</u>	<u>(230,000)</u>
		<u>8,854,122</u>	<u>8,751,415</u>
EQUITY			
Share capital	18	193	193
Revenue reserve	18	<u>8,853,929</u>	<u>8,751,222</u>
		<u>8,854,122</u>	<u>8,751,415</u>

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 19/4/2019



Charlie Lunn
Chairperson



Alan Brown
Vice Chairperson



Jean Lunn
Secretary

The notes on page 18 to 37 form part of these financial statements.

SPIRE VIEW HOUSING ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	16	771,034	925,560
INVESTING ACTIVITIES			
Acquisition and construction of housing properties	(445,377)	(471,701)	
Purchase of other fixed assets	(1,559,805)	(236,176)	
Social Housing Grant received	1,562,614	357,933	
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		<u>(442,568)</u>	<u>(349,944)</u>
NET CASH INFLOW BEFORE FINANCING		328,466	575,616
FINANCING ACTIVITIES			
Issue of ordinary share capital	22	33	
Interest received	3,425	875	
Interest paid	(43,188)	(27,019)	
Loan principal repayments	(273,952)	(283,703)	
NET CASH (OUTFLOW) FROM FINANCING		<u>(313,693)</u>	<u>(309,814)</u>
INCREASE IN CASH		14,773	265,802
OPENING CASH AND CASH EQUIVALENTS		1,785,866	1,520,064
CLOSING CASH AND CASH EQUIVALENTS		<u>1,800,639</u>	<u>1,785,866</u>

SPIRE VIEW HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2019

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1 April 2018	193	8,751,222	8,751,415
Issue of Shares	22	-	22
Cancelled shares	(22)	-	(22)
Surplus for Year	-	364,707	364,707
Other Comprehensive Income		(262,000)	(262,000)
Balance as at 31 March 2019	<u>193</u>	<u>8,853,929</u>	<u>8,854,122</u>

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1 April 2017	402	8,351,389	8,351,791
Issue of Shares	33	-	33
Cancelled shares	(242)	-	(242)
Surplus for Year	-	396,833	396,833
Other Comprehensive Income		3,000	3,000
Balance as at 31 March 2018	<u>193</u>	<u>8,751,222</u>	<u>8,751,415</u>

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Legal status

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

Basis of Accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for Social Housing Providers 2014 and comply with the requirements of the Determination of Housing Requirements 2014 as issued by the Scottish Housing Regulator.

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

Following the introduction of FRED 71 (Draft amendments to FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, Multi-employer defined benefit plans), the Association now accounts for the SHAPS pension scheme on a defined benefit basis. Further details are given in the retirement benefits policy below.

The following principal accounting policies have been applied:

Going Concern

The association has considerable financial resources together with long term arrangements with its tenants who are protected by the Scottish Secure Tenancy agreement. As a consequence, the Management Committee believe that the association is well placed to manage its business risks successfully.

The Management Committee monitor the operations and performance of the association through reports provided at their monthly meetings and they have a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

Revenue

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

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

Retirement Benefits

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

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

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Historically the scheme was accounted for as a defined contribution scheme as there was insufficient information for each social landlord's share of SHAPS to allow for defined benefit accounting. The liability previously recognised for the present value of the social landlord's deficit funding agreement has been derecognised. The difference between the deficit funding agreement liability social landlords historically recognised for SHAPS, and the net DB deficit for SHAPS, has been recognised in other comprehensive income (OCI). This accounting policy change has been accounted for in accordance with FRED 71: Draft Amendments to FRS 102: Multi-employer defined benefit plans as a matter of best practice. FRED 71 is an exposure draft and has not yet been implemented into financial reporting standards.

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

Valuation of Housing Properties

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

Component	Useful Economic Life
Land	Not depreciated
Structure	60 years
Roofs	60 years
Boilers	15 years
Bathrooms	25 years
Windows	30 years
Kitchens	15 years
Central Heating	30 years
Shared ownership	60 years

Depreciation and Impairment of Other Non-Current Assets

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

Office Premises	2% Straight Line
Furniture and Fittings	15% Straight Line
Commercial Equipment	33.33% Straight Line
CCTV System	10% Straight Line
Community Hub	Not depreciated this year as it is in the course of construction

The carrying value of non-current assets is reviewed for impairment at the end of each reporting year.

Social Housing Grant and Other Grants in Advance/Arrears

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

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

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

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

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

Sales of Housing Properties

First tranche Shared Ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the Statement of Recommended Practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the Statement of Comprehensive Income.

Disposals of housing property under the Right to Buy scheme are treated as a non-current asset disposals and any gain and loss on disposal accounted for in the Statement of Comprehensive Income.

Disposals under shared equity schemes are accounted for in the Statement of Comprehensive Income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

Estimation Uncertainty

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

Rent Arrears - Bad Debt Provision

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

Life Cycle of Components

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

Useful Lives of Other Fixed Assets

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

Pension Liabilities

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

Costs of Shared Ownership

The Association allocates costs to shared ownership properties on a percentage basis split across the number of properties the Association owns.

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases/Leased Assets

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

Works to Existing Properties

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

Development Interest

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

Key Judgements made in the application of Accounting Policies

a) The Categorisation of Housing Properties

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

b) Identification of cash generating units

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

c) Pension liability

In May 2019 the Association received details from the Pension Trust of its share of assets, liabilities and scheme deficit. The Association has used this information as the basis of the pension defined benefit liability as disclosed in the accounts. The Management Committee consider this is the best estimate of their scheme liability.

Financial Instruments – Basic

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

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

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

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

2. PARTICULARS OF REVENUE, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	Note	2019			2018		
		Revenue	Operating Costs	Operating surplus/ (deficit)	Revenue	Operating Costs	Operating surplus/ (deficit)
		£	£	£	£	£	£
Social letting activities	3	1,851,556	(1,412,627)	438,929	1,758,805	(1,352,472)	406,333
Other activities	4	234,111	(240,844)	(6,733)	227,028	(207,384)	19,644
Total		<u>2,085,667</u>	<u>(1,653,471)</u>	<u>432,196</u>	<u>1,985,833</u>	<u>(1,559,856)</u>	<u>425,977</u>

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing £	Supported Social Housing Accommodation £	Shared Ownership Housing £	2019 Total £	2018 Total £
Revenue from lettings					
Rent receivable net of identifiable service charges	1,788,599	-	2,429	1,791,028	1,706,578
Service charges receivable	-	-	-	-	-
Gross rents receivable	1,788,599	-	2,429	1,791,028	1,706,578
Less rent losses from voids	(1,134)	-	-	(1,134)	(3,449)
Net rents receivable	1,787,465	-	2,429	1,789,894	1,703,129
Amortisation of Capital Grant	3,758	-	-	3,758	3,758
Revenue Grants from Scottish Ministers	57,904	-	-	57,904	44,808
Revenue Grants from local authorities and other agencies	-	-	-	-	7,110
Total income from social letting	1,849,127	-	2,429	1,851,556	1,758,805
Expenditure on social letting activities					
Stage 3 Costs	52,638	-	-	52,638	-
Aborted scheme costs	-	-	-	-	7,110
Management and maintenance administration costs	647,247	-	-	647,247	663,299
Service costs	-	-	-	-	-
Planned and cyclical maintenance including major repairs	267,498	-	-	267,498	237,427
Reactive maintenance	187,653	-	-	187,653	220,892
Bad debts - rents and service charges	2,683	-	-	2,683	4,826
Depreciation of social housing	239,729	-	15,179	254,908	218,918
Operating costs of social letting	1,397,448	-	15,179	1,412,627	1,352,472
Operating surplus / (deficit) on social letting activities	451,679	-	(12,750)	438,929	406,333
2018	404,029	-	2,304	406,333	

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

4. PARTICULARS OF INCOME AND EXPENDITURE FROM OTHER ACTIVITIES

	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other income £	Total Turnover £	Operating costs bad debts £	Operating costs other £	Operating surplus/ (deficit) 2019 £	Operating surplus/ (deficit) 2018 £
Stage 3 adaptations	-	-	-	-	-	-	-	-	-
Wider Role Activities	129,075	-	-	-	129,075	-	(145,109)	(16,034)	(307)
Factoring	-	-	-	-	-	-	-	-	-
Support activities	-	-	-	-	-	-	-	-	-
Contracted out services undertaken for RSLs	-	-	-	93,014	93,014	-	(67,168)	25,846	23,792
Services	-	-	-	12,022	12,022	-	(28,567)	(16,545)	(3,841)
Other activities	-	-	-	-	-	-	-	-	-
TOTAL FROM OTHER ACTIVITIES	129,075	-	-	105,036	234,111	-	(240,844)	(6,733)	19,644
TOTAL FROM OTHER ACTIVITIES FOR 2018	138,093	-	-	88,935	227,028	-	(207,384)	19,644	

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

5. BOARD MEMBERS AND OFFICERS EMOLUMENTS

The officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association.

	2019	2018
	£	£
Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions)	78,646	76,777
Emoluments payable to the director (excluding pension contributions)	78,646	76,777
Pension contributions paid on behalf of the director	7,252	7,383
Total emoluments paid to key management personnel	<u>142,886</u>	<u>139,767</u>

Number	Number
---------------	---------------

Total number of officers, including the highest paid officer, who received emoluments (excluding pension contributions) over £60,000 was in the following range:

£70,001 - £80,000	<u>1</u>	<u>1</u>
-------------------	----------	----------

Payments to board members during the year for reimbursement of expenses amounted to £1,163 (2018 - £3,285).

6. EMPLOYEE INFORMATION

	2019	2018
	£	£
Staff costs during the year:		
Wages and salaries	347,071	355,768
Social security costs	33,726	34,210
Other pension costs	23,579	21,464
	<u>404,376</u>	<u>411,442</u>

Number	Number
---------------	---------------

The average number of full time equivalent persons employed during the year was

<u>10</u>	<u>10</u>
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SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2019	2018
	£	£
Bank loans and overdrafts	<u>43,188</u>	<u>27,019</u>

8. OPERATING SURPLUS FOR THE YEAR

	2019	2018
	£	£
Surplus is stated after charging / (crediting):		
Depreciation of tangible owned fixed assets	268,025	235,976
Auditors' remuneration - audit services	8,750	8,000
Operating lease rentals - land and buildings	-	-
- other	5,619	4,068
Amortisation of capital grants	<u>(3,758)</u>	<u>(3,758)</u>

9. TAX ON SURPLUS ON ORDINARY ACTIVITIES

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

10. OTHER FINANCE CHARGES

	2,019	2,018
	£	£
Unwinding of discounted liabilities	-	3,000
Net interest expense on defined benefit pension scheme	<u>12,000</u>	<u>-</u>
	<u>12,000</u>	<u>3,000</u>

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

11. NON-CURRENT ASSETS

a) Housing Properties

	Housing Properties Held for Letting £	Housing Properties in the Course of Construction £	Shared Ownership Properties Held for Letting £	Total £
COST				
At start of year	10,861,482	156,564	53,466	11,071,512
Additions	333,600	111,777	-	445,377
Disposals	(21,442)	-	-	(21,442)
Transfers to stock	-	-	-	-
At end of year	<u>11,173,640</u>	<u>268,341</u>	<u>53,466</u>	<u>11,495,447</u>
DEPRECIATION				
At start of year	832,916	-	-	832,916
Charged during year	239,729	-	15,179	254,908
Eliminated on disposal	(5,716)	-	-	(5,716)
At end of year	<u>1,066,929</u>	<u>-</u>	<u>15,179</u>	<u>1,082,108</u>
NET BOOK VALUE				
At end of year	<u>10,106,711</u>	<u>268,341</u>	<u>38,287</u>	<u>10,413,339</u>
At start of year	<u>10,028,566</u>	<u>156,564</u>	<u>53,466</u>	<u>10,238,596</u>

There were no impairment charges in the year

There were no capitalised development administration costs incurred during the year

New components capitalised during the year amounted to £333,600.

The Association's lenders have standard securities over housing property with a carrying value of £9,075,922 (2018 - £10,028,566).

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

b) Other tangible assets	Office Premises £	Office Furniture £	Office Equipment £	CCTV System £	Community Hub £	Total £
COST						
At start of year	515,641	49,081	96,209	30,948	230,759	922,638
Additions	-	-	-	-	1,559,805	1,559,805
Disposals	-	-	-	(30,948)	-	(30,948)
At end of year	<u>515,641</u>	<u>49,081</u>	<u>96,209</u>	<u>-</u>	<u>1,790,564</u>	<u>2,451,495</u>
DEPRECIATION						
At start of year	172,986	43,785	94,332	30,947	-	342,050
Charged during year	10,313	928	1,876	-	-	13,117
Disposals	-	-	-	(30,947)	-	(30,947)
At end of year	<u>183,299</u>	<u>44,713</u>	<u>96,208</u>	<u>-</u>	<u>-</u>	<u>324,220</u>
NET BOOK VALUE						
At end of year	<u>332,342</u>	<u>4,368</u>	<u>1</u>	<u>-</u>	<u>1,790,564</u>	<u>2,127,275</u>
At start of year	<u>342,655</u>	<u>5,296</u>	<u>1,877</u>	<u>1</u>	<u>230,759</u>	<u>580,588</u>

12. COMMITMENTS UNDER OPERATING LEASES

	2019 £	2018 £
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-		
Not later than one year	5,791	5,619
Later than one year and not later than five years	<u>5,498</u>	<u>8,057</u>
	<u>11,289</u>	<u>13,676</u>

13. DEBTORS

	2019 £	2018 £
Arrears of Rent & Service Charges	49,979	48,521
Less: Provision for Doubtful Debts	<u>(5,536)</u>	<u>(5,536)</u>
	44,443	42,985
Other Debtors	<u>143,942</u>	<u>159,977</u>
	<u>188,385</u>	<u>202,962</u>

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

14. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Housing Loans	310,414	299,939
Trade Payables	308,355	118,672
Rent in Advance	41,227	43,835
Other Taxation and Social Security	10,553	9,470
Other Payables	121,542	165,577
Liability for Past Service Contribution Arrangements	-	75,266
Accruals and Deferred Income	9,484	16,592
	<u>801,575</u>	<u>729,351</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2019	2018
	£	£
Housing loans	<u>2,234,668</u>	<u>2,519,095</u>

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

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

Loans are secured by specific charges on the Association's properties and are operating on a variable rate of interest. These loans are linked to LIBOR and the margins range between 0.25% and 0.75%.

Between one and two years	313,436	302,859
Between two and five years	657,649	803,746
In five years or more	<u>1,263,583</u>	<u>1,412,490</u>
	<u>2,234,668</u>	<u>2,519,095</u>

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

16. STATEMENT OF CASH FLOWS

Reconciliation of operating surplus to balance as at 31 March 2019	2019	2018
	£	£
Operating Surplus	432,197	425,977
Depreciation	268,025	235,976
Amortisation of Capital Grants	(3,758)	(3,758)
Change in debtors	14,577	277,546
Change in creditors	137,015	65,061
Past service pension deficit contributions	(77,000)	(75,000)
Cancelled Shares	(22)	(242)
Balance as at 31 March 2019	<u>771,034</u>	<u>925,560</u>

17. DEFERRED INCOME

	2019	2018
	£	£
Social Housing Grants		
Balance as at 1 April 2018	345,417	221,242
Additions in year	102,515	127,933
Amortisation in Year	(3,758)	(3,758)
Balance as at 31 March 2019	<u>444,174</u>	<u>345,417</u>
Other Grants		
Balance as at 1 April 2018	230,000	-
Additions in year	1,460,099	230,000
Amortisation in Year	-	-
Balance as at 31 March 2019	<u>1,690,099</u>	<u>230,000</u>
Total deferred grants	<u>2,134,273</u>	<u>575,417</u>

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

Amounts due within one year	3,758	3,758
Amounts due in one year or more	<u>2,130,515</u>	<u>571,659</u>
	<u>2,134,273</u>	<u>575,417</u>

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

18. RESERVES

Share Capital	2019	2018
	£	£
Shares of £1 each Issued and Fully Paid		
At 1 April 2018	193	402
Issued in year	22	33
Cancelled in year	(22)	(242)
At 31 March 2019	<u>193</u>	<u>193</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings.

Reserves	2019	2018
	£	£
At 1 April 2018	8,751,222	8,351,389
Surplus for year	364,707	396,833
Pension adjustment	(262,000)	3,000
At 31 March 2019	<u>8,853,929</u>	<u>8,751,222</u>

19. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2019	2018
	No.	No.
General Needs - New Build	556	556
Shared Ownership	<u>1</u>	<u>1</u>
	<u>557</u>	<u>557</u>

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

20. RELATED PARTY TRANSACTIONS

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

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

Transactions with Management Committee members were as follows:

- Rent Received from Tenants on the Committee – £26,220.
- Factoring income received from Owner Occupiers in the Committee - £Nil.
- At the year-end total rent arrears owed by the tenant members of the Committee were – £392.
- At the year-end total rent arrears owed by Owner Occupiers of the Committee were - £Nil.

21. DETAILS OF ASSOCIATION

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

The Association's principal place of business is 43 Tharsis Street, Roystonhill, Glasgow, G21 2JF.

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

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

22. RETIREMENT BENEFIT OBLIGATIONS

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

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

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

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

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

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

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

Pension scheme liability movements

	2019	2018
	£	£
As at 1 April 2018	308,000	383,000
De-recognition of deficit funding liability	(308,000)	-
Recognition of defined benefit obligation	455,000	-
Net Interest expense	10,000	3,000
Expenses	2,000	-
Deficit Contributions Paid	(77,000)	(75,000)
Impact of change in assumptions	115,000	(3,000)
As at 31 March 2019	<u>505,000</u>	<u>308,000</u>

As a result of the pension re-measurement basis during the year the movement in the opening pension liability of £147,000 is shown separately in the Statement of Comprehensive Income

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

22. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	31 March 2019 (£000s)	31 March 2018 (£000s)
Fair value of plan assets	2,533	2,400
Present value of defined benefit obligation	3,038	2,855
Surplus (deficit) in plan	(505)	(455)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(505)	(455)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	-	-

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	Period ended 31 March 2019 (£000s)
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2019 (£000s)
Defined benefit obligation at start of period	2,855
Current service cost	-
Expenses	2
Interest expense	73
Contributions by plan participants	-
Actuarial losses (gains) due to scheme experience	(73)
Actuarial losses (gains) due to changes in demographic assumptions	8
Actuarial losses (gains) due to changes in financial assumptions	206
Benefits paid and expenses	(33)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	3,038

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

22. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	Period ended 31 March 2019 (£000s)
Fair value of plan assets at start of period	2,400
Interest income	63
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	26
Contributions by the employer	77
Contributions by plan participants	-
Benefits paid and expenses	(33)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	2,533

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2019 was £89,000.

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SoCI)

	Period from 31 March 2018 to 31 March 2019 (£000s)
Current service cost	-
Expenses	2
Net interest expense	10
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCI)	12

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

22. RETIREMENT BENEFIT OBLIGATIONS (continued)

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2019 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	26
Experience gains and losses arising on the plan liabilities - gain (loss)	73
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(8)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(206)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(115)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in other comprehensive income - gain (loss)	(115)

ASSETS

	31 March 2019 (£000s)	31 March 2018 (£000s)
Global Equity	408	432
Absolute Return	215	285
Distressed Opportunities	43	11
Credit Relative Value	44	-
Alternative Risk Premia	141	91
Fund of Hedge Funds	7	69
Emerging Markets Debt	81	82
Risk Sharing	73	22
Insurance-Linked Securities	66	66
Property	50	95
Infrastructure	106	44
Private Debt	33	22
Corporate Bond Fund	178	167
Long Lease Property	31	-
Secured Income	88	88
Over 15 Year Gilts	65	78
Index Linked All Stock Gilts	-	-
Liability Driven Investment	901	844
Net Current Assets	3	4
Total assets	2,533	2,400

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

SPIRE VIEW HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

22. RETIREMENT BENEFIT OBLIGATIONS (continued)

KEY ASSUMPTIONS

	31 March 2019 % per annum	31 March 2018 % per annum
Discount Rate	2.33%	2.59%
Inflation (RPI)	3.28%	3.16%
Inflation (CPI)	2.28%	2.16%
Salary Growth	3.28%	3.16%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2019 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2019	21.7
Female retiring in 2019	23.4
Male retiring in 2039	23.1
Female retiring in 2039	24.7

23. CAPITAL COMMITMENTS

	2019 £	2018 £
Expenditure contracted but not provided for in accounts	<u>298,876</u>	<u>1,837,731</u>

